THE FINANCIAL POST

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The Nation's Business

Tax Reduction Dodged
Programme for the West
"Hands Off the Nationals" Poor Stuff
Free Trade an Orphan in This Campaign
More on Our Politics

AS ANOTHER election campaign enlarges daily its promise of an indecisive finish, the failure of political leaders to grasp outstanding issues is more marked. Where one of them does offer a definite policy on a matter of national interest, the favorable reaction is so strong as to arouse curiosity as to why so much piffle is handed out on unimportant subjects.

Mr. Robb's definite promise of further tax reductions if he is given another budget to make was the sort of political pronouncement the public has been waiting for. It was emphasized by the comparative silence of King and Meighen on tax reduction. These leaders are, in fact, promising increased expenditure, on hotels, roads, etc., and decline any assurance of tax reduction.

The old-time theory that the way to win votes is to promise a fistful of public funds is still the main and fatal obsession of most of our statesmen and near-statesmen, who fail to recognize how keen the public is to hear another story — that of lower taxes.

* * *

THE Manitoba Free Press has been outlining what it considers a common western programme," obviously an attempt to speak the voice of the West on national issues of the moment, outlining a policy that would have a more or less universal appeal on the prairies and that could be supported by Progressives, Farmers, Liberals and Labor. The programme undoubtedly has in mind uniting these groups against what the Free Press is inclined to think is their common and natural opposition, the Conservative party and its platform.

The Free Press has not covered all the subjects touching the interests of the West but it is clear, incisive and definite insofar as it has attempted to go.

Maintenance of the Crow's Nest Pass rates is given as a prime essential. It recalls that out of all the Crow's Nest Pass rates, the West has been able to hold in force only the low eastbound rates on grain and flour. To these, the West must hold firm, it declares, they are worth $26,000,000 a year to the West. The West does not want the future of these rates left to the railways and the railway commission.

* * *

SECOND plank in the Western platform also covers transportation railway rates on Western grain to the Atlantic seaboard; "a statutory grain rate to Quebec in keeping with the purposes for which the National Transcontinental was built" is the way the Free Press phrases it and by this it means a rate from the West to Quebec, over the National Transcontinental, fixed low enough by act of Parliament, rather than with consideration for the rate needs of competing lines to the south, to direct the great flow of Western wheat over this line, which was indeed built by the Laurier government for this very purpose of carrying Western grain to Quebec.

The tariff policy offered seems at first glance to be a negative proposition in that it is nothing more than "opposition to the Meighen high tariff policy." But the Free Press states that if the selfish needs of the West were to be considered alone, then the West would like a low tariff, levied purely for revenue purposes. But as this would not be to the advantage of the whole country they are ready to maintain the present tariff, with occasional modifications when required, such as in the case of farm implements and automobiles. If the manufacturers would accept the present tariff there would be tariff stability at once, argues the Free Press.

* * *

COMPLETION of the Hudson Bay Railway, with the necessary accompanying aids to navigation, and at the earliest possible date, is, of course, included.

Conservative hostility to the project is emphasized as is the need for uniting Western Progressives, Western Liberals and U. F. A. interests to save the project for "the West's own route to the sea."

Final planks in this common Western programme is "the immediate

(Continued on page 16)

ALBERTA OIL FEATURED

The Financial Post this week presents a special 8-page section reviewing Alberta oil development. On May 7 The Financial Post presented its first review of the oil operations in Turner Valley and Wainwright fields, and this week's section deals with the progress since.

What is the Real Situation in the Newsprint Industry?

Immediate Prospects Are Only a Guess — Ultimate Future Seems Assured — What of Consumption? — Some Feel Present Level of Shares is High

From Our Own Correspondent.

MONTREAL.—Why have the newsprint stocks all moved up within the past week or two? Principally because the market generally has been strong. But there are other reasons underlying the present strength in these securities.

Perhaps the chief of these is that there are no clouds to be seen on the business horizon in the United States. And it is the general level of business there which indicates the amount of advertising space in the newspapers and periodicals; as the size of the newspapers is dependent on the amount of advertising. This, in turn, creates the demand for newsprint on this continent.

Again, there are several other factors which have combined to produce the present boom in the paper stocks. The stocks of paper on hand at the mills are lower, and have been lower, during the first half of the present year than during the past three years.

The amount of advertising lineage, also, in United States papers has increased much more in the first six months of 1926 than during the corresponding period of 1925. The usual growth in the circulations of the English language papers in the States has been more than maintained; the annual increase over the past few years amounts to around 5 per cent., and this is being continued each year.

Another significnt fact is that during 1926 the stocks in the hands of the publishers have been lower, and are still lower, than they have been for several years.

All this shows that despite the increase in production—and it has been large—consumption to-day is following closer on the heels of production than for many moons past. Eight months, or a year ago, no insider or those associated with the industry would have dared to predict this present state of affairs. As a matter of fact, none did. This explains why, generally speaking, it has not been the insiders who have made money on the recent rise of the paper stocks.

All Investors Purchase Papers

Then there is another reason which always makes for strength in the newsprint group. Any Canadian who has money for investment has a fairly wide list from which to choose; but which one group of stocks stands out as a coming industry and gives more promise for a long pull than the newsprint group? Probably none. Thus even if present stock prices are high, the investor is almost forced to purchase the papers, and this in some measure accounts for the high levels and low yields which prevail in the newsprint group.

All these are the bullish and more favorable factors. There are other favorable factors but these lose a little of their force, for they have continually been advanced for almost years past, yet the industry has gone ahead and prospered—prospered despite the fact that the figures of past years indicated the probability of some stagnation in the demand for newsprint.

The chief bearish argument which has been advanced is the rapid growth in the industry in years gone by, coupled with an even greater increase within the past 18 months, and those which will occur within the next year or so. Despite these gloomy forebodings, newspaper circulations and advertising lineage have literally continued to more than keep pace with the large increases in production. Just how long this is likely to continue is a question to which each investor must find an answer for himself. The present state of the industry proves that insiders' doubts of some months ago were wrong, possibly due to the fact that they were not able, of course, to foresee the great increase which has taken place in the newspaper-reading public through various agencies, and notably such peculiar publications as the daily tabloid press. Nevertheless, the fact that many insiders have been mistaken in the past proves what? Absolutely nothing. They have been mistaken, but they are the ones who should know.

U.S. Production is Maintained

There are many to-day well acquainted, or closely connected with the industry who feel that the general level of stock market prices is high—too high. But this is far from saying that this group will not move in to higher ground—or into lower either.

It has often been pointed out that as production in this country increases, so that of the United States will begin to fall off. But this has not proved to be so up to the present. During the first seven months of this year, the output of newsprint from this country increased by 22 per cent. —that of the United States by 11 per cent. This looks anything like a decrease. However, it would have been ridiculous to expect any decrease in the States in view of the strength in the demand which has more than kept pace with the production in both countries, thus reducing the stocks on hand at both the mills and in the publishers' hands.

What, then, is the investor to do? Probably the answer lies in buying the paper stocks for the long pull and for a long pull only. Six months, or a year is really too short a period upon which to gauge the underlying strength of the newsprint stocks as a group—temporary conditions which might take place would naturally be reflected in this industry as in any other. But its past record and the firm foundation of economic soundness upon which it is built, appears to assure its ultimate success over a term of years.

Thus, in purchasing the newsprint stocks to-day the investor may find that his holdings have either appreciated of depreciated in the market at the end of, say, six months—but if he has picked a company for the investment of his funds which is backed by men with a record of integrity and success and administered by officers of standing in the newsprint field, then he can face the future quite oblivious of either major or minor market variations, for it appears that the production of newsprint in the Dominion is bound to grow. Such growth can hardly result in anything but prosperity for the sound newsprint producers.

Besco at Work on Rail Order From C. P. R.

Word from Sydney is to the effect that operations have already begun at the Dominion Steel plant on the rolling of the 25,000 ton rail order secured from the Canadian Pacific Railway. This will provide employment for 100 additional men and will also mean steadier work for those who have been working part time. It is understood that the company has an order for 25,000 tons from the Canadian National, which may be rolled between now and the end of the year.

The plant has been working for some weeks on stock replacements, and but for the C.P.R. order, operations soon would have had to be curtailed, because there is a limit to the amount of stock it is desirable to carry. Now the iron and steel output can be made into rails, and while this is being done the ordinary steel product stock will become depleted again. In this way rail orders affect not only their own immediate department, but greatly assist in keeping the whole plant in continuous operation. The present order is looked upon as first fruit of the National Trust receivership, which is growing daily in local popularity, according to the Sydney correspondent of The Financial Post.

West Kootenay Power Increases Its Output

From Our Own Correspondent.

MONTREAL.—The West Kootenay Power Company is planning to increase its power development at Bonnington Falls, on the Kootenay River, by 60,000 horsepower. Active construction work has started already. The present installation at Bonnington Falls amounts to 40,000 h.p., but a third unit of 19,000 h.p. is being added to the plant, which will, it is expected, be in operation by the end of the present month. This will give the company a total capacity of 120,000 horsepower.

West Kootenay is owned outright by the Consolidated Mining and Smelting Company. The investment interest in the company lies in its bond issues.

Fidelity Trust Co. of London to be Continued as Such

LONDON.—Plans are taking form in connection with the future of the Fidelity Trust Company whereby it is expected that this London financial institution will remain in the control of local financiers and maintain its identity.

The Fidelity Trust Company was controlled through stock ownership by the Dominion Savings Company, whose affairs are now being administered by the Trust and Guarantee Company of Toronto as trustee. The latter company is endeavoring to dispose of the trust company without dividing the assets and it is understood that there is every assurance that this will now be accomplished.

MARITIME FAITH PLACED IN SIR ANDREW DUNCAN

Hope is That He Will Be Able to Analyze Troubles

From Our Own Correspondent.

HALIFAX.—The Royal Commission on Maritime affairs has about completed its evidence-hearing sessions, and such public interest as there is in the matter is now centred upon the probable finding of Sir Andrew Rae Duncan and his associates. As a matter of fact, the material brought out at the various sessions has been distinctly disappointing to the general public, although it is not easy to place a finger exactly upon the reason for this feeling. It is not because sufficient verbiage has not been expended before the commission —the trouble seems to lie in the fact that much of it was what Sir Andrew, at Sydney, referred to as "oratorical license," that is, very positive statements on one matter and another unsupported by much that could be called evidence in the legal sense of the word.

Here and there witnesses have come forward with concrete evidence of what they called "discrimination" in freight rates and other matters, but these witnesses have been the exception and not the rule. The principal hope of the plain people of the Maritimes rests not upon the oratory of these who have read briefs before the board, but upon the chairman himself.

The successful mediation of the British knight in the coal dispute of a few months ago was due not so much to the evidence put before the board by the miners and operators as by the facts and figures dug up by Sir Andrew and his assistants themselves from the books of the corporation.

The hope is that something similar will occur in the present instance—that Sir Andrew from his wide experience will be able to get a clearer view of the real ills of the Maritimes than can be obtained by Maritime leaders who are too close to the situation to get a proper perspective.

What Maritime people hope is that Sir Andrew will be able accurately to determine and tell them how much of their depression of recent years is due to geographical position and the acts of God, and how much to the neglect or cussedness of the provincial and federal authorities. With this basis to work from, the Atlantic region will then be able to begin the work of rebuilding its shattered fortunes as the coal industry is now being rebuilt.

Success of Canadian Train In France Could Be Multiplied By Tour of British Isles

Senator C. P. Beaubien, eminent French-Canadian lawyer and financier, who piloted Canada's exhibition train through France with great éclat, is pressing forward his scheme to send a similar train through the British Isles. This train, to consist of thirty tractors and trailers, fitted up as exhibition booths, would make the grand circle of the Old Country carrying the message of Canadian wares and Canadian opportunities to buyers, home-seekers and tourists.

The senator thinks a British train would be even more successful than the French train. In the first place, immigration propaganda could be carried. The French government barred this in that country. Again, there would be representatives of both great Canadian races on the train, while in France the personnel was necessarily chiefly French speaking. And again the appeal would be to a nation that knows Canada, that has trade arrangements perfected and that is the chief source of Canadian immigration.

Propaganda Needed in Britain

Speaking to The Financial Post, the senator outlined his plan:

"Everybody seems to admit that we require a strong campaign of propaganda in Great Britain. No doubt, it would stimulate our export trade, our immigration policy and answer the campaign of slander and defamation carried on against the Dominion. This threefold purpose, I suggest, can be accomplished effectively and with a minimum of time and expense by sending an exhibition train through the British Isles. My conviction in this respect is founded upon the performance of the Canadian Exhibition Train of 1923.

"It is well to remember that this new form of propaganda, within twelve months, doubled our trade with France and Belgium; it did so notwithstanding prohibitory tariffs and depreciated currencies.

Had France on Its Toes

"For five months, we had the whole of France and Belgium speaking and reading of Canada. In every city, where the train passed, unprecedented crowds gathered, often more than 50,000 being present at the same minute. In these days, to mobilize the crowd is to command every person in office and every newspaper in circulation. Thus, the train was honored by the highest dignitaries of France and Belgium, including the president of the French Republic, the King of Belgium, and the leading people in every walk of life, in both countries.

"We gathered on the way 2,800 columns of free newspaper advertisement; the best that could be had since it was 'news' advertisement. No less than 800 of these newspaper columns were published by the great dailies of

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Canada More Prosperous, But Not Making Most of Her Great Opportunities

Development of Resources Would Encourage Immigration, Says D. C. Durland

BUSINESS IS BETTER

Canadian General Electric Has 30 Per Cent. More New Business and 50 Per Cent. Greater Unfilled Orders

New business booked by the Canadian General Electric Company this year shows an increase of approximately 30 per cent. as compared with last year, while the unfilled business on the company's books at the present time is about 50 per cent. greater than at this time a year ago. The outlook for the balance of the year is for continued improvement so far as general business is concerned, although the ratio of increase in figures may not be sustained because of the big orders secured during the second half of 1925 in connection with the immense new plant of the Aluminum Company of America. The Canadian business situation, in the opinion of D. C. Durland, the president of the company, is the best in several years, certainly the best since Mr. Durland has been closely in touch with conditions in this country. However, he qualifies this statement by explaining that there is nothing like a boom, nor does he believe that Canada is prospering to the extent that her wonderful position as regards raw materials and agricultural opportunities would seem to warrant. He feels that a policy which would encourage greater industrial development would lead to larger opportunities for both labor and capital, which in turn would induce immigration and lead to an era of prosperity for all classes.

This statement in regard to the business of Canada's leading manufacturer of electrical equipment is highly important because there is perhaps no better indicator of industrial conditions than the consumption of power—and it is increased consumption of power which the improvement referred to reflects. Equally important too are the views of Mr. Durland as to Canada's potentialities. It will be remembered that in an interview with The Financial Post some months ago, after a tour of Canada, Canadian General Electric's president expressed the view that Canadian development was not up to the country's opportunities. There is now improvement but Mr. Durland feels that a period of sustained prosperity will not be entered upon until immigration is encouraged, and that requires new industrial developments which will make room for more workers.

In the field of heavy electrical equipment the company is feeling the benefits of orders for the pulp and paper and hydro electric power developments in various parts of the country. These developments are primarily based upon increased requirements for power which indicates industrial expansion. Naturally, new developments are to some extent being planned because of larger demands for power at the present time, as the result of manufacturing industries moving out of the period of depression which has prevailed for some years now following the peak of post-war prosperity. Canadian General Electric is also sharing in this improvement in general business with an increased consumption of electrical equipment for new buildings and electrical appliances for domestic purposes. The more extensive use of these electrical appliances and the radio are also factors in this improvement.

Some Used Postage Stamps on Ontario Transfers of Stock

Described as being largely an educational expedient, the Ontario government treasury department is having an inspection made of the stock transfer books of Ontario corporations to see that tax stamps are properly attached to all transfers as required under the Corporation Tax Act.

It has not been found that there has been any general evasion of the spirit of the act but, on the contrary, a willingness to comply but a lack of knowledge of how the provisions apply. It has been found, for instance, that in some cases Dominion revenue stamps and even postage stamps have been used; in other cases the amount applied has been too little or too much, or stamps have been attached to original issues where they have not been required.

As the inspection and necessary adjustments are made, certification will be given so that no further attention on the part of the department or the corporation will be necessary.

Re-organization Can. Mortgage is Announced

That one of the old Canadian mortgage companies would in the near future turn its investments from Canadian loans to government and other securities was intimated by The Financial Post in its issue of July 30. It was explained that with rising interest rates for funds, declining rates on loans and government interference, the directors believed that such a change would be in the interests of shareholders. This week a special meeting of shareholders of the Canadian Mortgage Investment Co. was held to consider an offer by the Debenture and Securities Corp. of Canada for the purchase of the company's assets. The meeting was adjourned until Sept. 18.

As intimated in a letter of the president to shareholders, three offers are being made to shareholders. They will be given an equal amount of either ordinary shares of the Debenture and Securities Corp., preference shares bearing 5 per cent. per annum or debentures bearing 4 per cent. per annum, payable in ten years. The reorganization is conditional on the Debenture and Securities Corp. receiving sufficient shares of the Canadian Mortgage Investment Co. to make the deal effective.

While directors of the Canadian Mortgage Investment Co. do not urge the necessity of the proposed deal, they point out that in view of "frozen" assets of the company dividends may have to be reduced further. Furthermore, for those who hold partly paid stock it would be advantageous to secure fully paid securities of the Debenture and Securities Corp. in exchange.

Debenture and Securities Corp., Ltd., was organized as a subsidiary of the Canadian Mortgage Investment Co., with $500,000 issued stock, which is owned by the Canadian Investment Co. The advantage of the change would be that the charter of the Debenture and Securities Corp. gives it much broader scope than a loan company. It has the powers of an ordinary investment house, whereas the field of a loan company is rigidly restricted by law.

The Canadian Mortgage Investment Co., with head offices in Toronto, has an authorized capital of $5,000,000, of which $1,500,000 have been subscribed and $1,244,766 paid up. The par value 000. Loans outstanding are $1,426,- is $100. Reserve fund stands at $350,- 700, of which nearly $800,000 are placed in lands in Western Canada.

Port Alfred Starts Second "News" Machine

From Our Own Correspondent.

MONTREAL.—The second 100 ton newsprint machine of the Port Alfred Pulp and Paper Corporation goes into operation this week. The first newsprint machine commenced to operate about two or three months ago and last week its production averaged 90 tons a day.

The four new machines which the company will have in operation by the end of the year have a daily capacity of 100 tons each; but the process of tuning up the machines to their full capacity is usually one which takes many months. Therefore, investors in Port Alfred's securities will be more than satisfied with the excellent record which has been achieved in bringing the first machine so near to capacity at such an early date.

FIND ON TOUGH-OAKES

Reports persist that Tough-Oakes-Burnside, Kirkland Lake, has made an important high-grade discovery. The stock has moved up 3 points during the week.

BELGO UP TO SCHEDULE

MONTREAL. — The new building which is to house the two new 100-ton newsprint machines of the Belgo-Canadian Paper Company has been completed and the installation of No. 7 machine has commenced. The work on this subsidiary of the St. Maurice Valley Corporation is well up to schedule.

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The Trend of Business and Industry

The Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Unfavorable Reversal in Crop Situation
Immigrants Come in Larger Numbers
Midsummer Lull Less Intense Than Usual
Steel Mills at 70 Per Cent. of Capacity

Business has followed with some disappointment the gradual reversal of the crop situation from the early reports predicting a large yield here and a smaller output elsewhere, to current indications of a 25 per cent. drop in the Canadian yield and a big increase in the prospective yield elsewhere. A month ago crop observers inticipated a smaller crop than last year's in the United States, and higher prices were anticipated for a large Canadian output. Meanwhile the outlook in the United States, for example, has improved to such an extent that the estimate is raised 175,000,000 bushels, to 829,201,000, while the Canadian prospective yield has declined to the extent indicated. Last year's wheat crop in Canada sold for about $460,000,000, the average price per bushel to the farmer being $1.12. This places Canada in a much less favorable position than last year, although the situation is bettered somewhat by the fact that the wheat production of fifteen foreign countries of the Northern Hemisphere totals 1,455,947,000 bushels against 1,523,611,000 bushels last year. The current price of around $1.50 for No. 1 Northern Manitoba wheat compares with an average of $1.67 for August of last year and there is little in the outlook to support present levels. The only possible conclusion is that the value of the Canadian crop will show a material reduction from that of last year.

Settlers Come in Larger Numbers

Although the number of new settlers coming to make their permanent home in Canada is much smaller than before the war, there is lately a gratifying increase. More than 70,000 immigrants came to the country in the first half of the year as against 43,000 during the first half of last year. There are fairly good grounds for believing, moreover, that the general average of these newcomers is better than it was. There is a substantial increase in the number of Britishers who comprise the largest group in the total, as well as in the number of settlers from the United States. Ten thousand of the latter came in during the first half-year, most of them farm settlers with means, and it is reasonable to believe that they brought with them a large amount of property as well as valuable farming experience. Fortunately, there have been recently formed several organizations for looking after the interests and comfort of these newcomers, especially in the West. This is expected to counteract much of the unfavorable advertising formerly carried on by newcomers who did not meet a good reception when they came, owing to the thoughtlessness of citizens and government departments alike, and which did much damage to immigration progress.

Midsummer Lull Less Intense

As already pointed out in these columns, this summer's seasonal decline in business activity has not been nearly so marked as is normally the case. Retail and wholesale business has been going along on a fairly satisfactory basis. There is a greater amount of activity in industrial centres than is usual at this time of year. Quite a number of the small industries scattered throughout the country are making additions to their plant and equipment. A striking example of this is in the case of Guelph, where eight or ten of the smaller industries have been building this summer. Some additions have been made in London, Ontario, and some new plants have just come to the city. Peterborough and Orillia also report several additions. The same is the case generally throughout the other provinces, and the building and equipment trades are benefiting accordingly.

One outstanding exception to this is the inactivity which exists in the pig iron market. While it was expected that the decline in pig iron prices would stimulate buying to a certain extent, the reverse seems to have been true. The market is more unsettled now than before the price recessions. Large consumers appear to have large tonnages of iron on hand and current demand seems to be coming only from small buyers who prefer to obtain their supplies of iron as they require it. Mills are still running at about 70 per cent. of capacity.

Buying Power Lags Behind Production

In its August issue of "Facts for Workers" the Labor Bureau Inc., of New York, expressed the feeling that the purchasing power of wage earners and farmers is not growing fast enough to absorb the rapidly expanding output of the country's manufacturing industries.

"There are more factories," the bureau said, "more railroads, more coal mines, more stores, than can possibly be kept busy on the basis of purchasing power. We haven't the wages to buy back a half of what our industrial equipment stands ready to produce.

"The amazing growth in the technical arts has provided the means for producing goods on the principle of mass production very much faster than purchasing power, as liberated under the going financial mechanism, can absorb them. The owners of this surplus equipment naturally hate to see it standing idle, eating its head off in overhead charges. There results the frenzy of business men to find markets for their products and keep their overhead production costs down.

"It is this competition which results in vertical trusts, trade association advertising, high-pressure selling, instalment buying, booms and wars. This is the new competition which no merger can ever overtake; which can waste $5 for every $1 the merger can save. Only a new economic line-up—in which purchasing power keeps up with production, in which wages expand as fast as the technical arts— can abate the folly and waste of the new competition."

Keen Business Activity To Continue in States

Colonel Leonard P. Ayres, vice-president of the Cleveland Trust Company says of business in the United States:

No mid-summer dullness has developed in general business this year, and this fact is noteworthy because in every other year since the War, with the single exception of 1922, there has been a genuine slowing down during the summer months. At the present time the fundamentals of business are sound, and the key industries are active.

Building construction is going forward in large volume; automobile production and sales are at exceptionally high levels; iron and steel output is unusually active; employment is general with wages high; credit conditions are easy; and the agricultural prospects are good in general, although distinctly uneven as between different districts.

The present prospects are that no drastic change in these general conditions will take place during the remaining months of 1926. Indeed it will probably be the case that most of the barometric indicators of business conditions, such as carloadings, building construction, steel output, automobile production, bank clearances, and electric power consumption will establish new high records this year. It is probable, too, that the country-wide volume of industrial and transportation profits will be greater in 1926 than ever before.

Revenue Maintained From Livestock Sales

With prices fairly well maintained, sales of livestock have increased in all cases except hogs this year to date, in comparison with same period last year and the year before. Marketings of cattle in the six leading stock yards have risen from 450,077 to 484,688. Sales of calves increased from 191,057 to 210,103. This is an increase for all cattle, of 8 per cent. Sales of sheep rose from 96,733 to 101,847. Hog marketings, on the other hand, declined from 845,265 to 621,298, a 27 per cent. drop.

Canadian Business Indicators

Compiled weekly by The Financial Post.

	1926	1925	
Car loadings, week Aug. 7	56,687	48,323+	18%
Year to date	1,782,382	1,577,532+	13%
Merchandise shipped, year to date	495,240	466,309+	6%
Building permits—July (63 cities)	18,717,028	12,812,603+	46%
Construction contracts awarded, July	33,865,000	22,179,000+	52%
Railway Earnings—Six Months—			
C.P.R. gross	85,227,786	75,155,819+	13%
C.P.R. net	13,956,687	7,797,646+	79%
C.N.R. gross	120,989,008	105,543,743+	14%
C.N.R. net	14,856,660	3,742,345+	297%
Pig Iron Output—tons, July	67,232	21,000+	220%
Steel Ingot production, July tonnage	64,847	65,000—	.2%
6 months to June 30	410,603	413,891—	0.7%
Automobile production—(Year to date)	$75,769,450	$59,755,291+	26%
Newsprint production—May tonnage	153,969	130,013+	18%
Employment—July index (5,898 firms)	142	145	
Immigration—5 months to June 30	57,746	36,873+	36%
Business failures—No. of firms, June—	142	145	
Liabiltiies, May	$ 2,312,913	$ 2,648,954	
Imports of key commodities, 12 mos. ending June—			
Rubber	$37,327,931	$16,557,781+	125%
Cotton	$27,507,219	$26,725,520+	3%
Crude petroleum	$31,514,766	$22,823,931+	38%
Exports of key commodities—Canned salmon, May, lbs.	1,303,000	2,019,000—	35%
Newsprint, May, tons	135,251	115,766+	17%
Wheat flour, June, bbls.	1,029,490	596,001	
Wheat, June, bus.	9,918,315	9,354,355	
Grain receipts, August 1 to July 30	$399,262,875	$261,185,932+	52%
Bank clearings, July	1,227,121,299	1,119,600,769+	9%
Savings deposits, June (chartered banks)	1,328,225,287	1,253,703,216+	6%
Current loans, June, (chartered banks)	931,548,713	895,592,277+	4%
Exports, 12 months to June 30	1,349,593,037	1,090,706,331+	23%
Imports, 12 months to June 30	962,178,723	808,822,004+	19%
Balance of trade, 12 months to June 30	387,414,314	281,884,327+	37%
Price level, July index, 236 commodities	156.2	158.1	
Wheat, No. 1 Nor., Winnipeg, August 16	1.45	1.67	
Cattle—Good, Toronto, August 9, $7.20.	August (Average) $7.47		3%
Hogs—Select, Toronto, August 9, $13.00.	August (Average) $14.00		— 7%
Pig iron (Number 1 foundry)	24.80	.....	
Bond sales, June	$59,290,123	$30,956,100+	91%

PLAN MADE TO REVIVE B.C. SALMON INDUSTRY

International Board Studying Methods of Rebuilding Former Productivity

VANCOUVER.—Drafting of a new international agreement designed to rebuild the once great salmon industry of the Fraser River has been completed and the instrument is expected to go a long way towards permanent solution of British Columbia's problem of a steadily diminishing pack.

Those responsible for the new pact believe that its enforcement will result in the gradual development of the salmon resources of the Fraser, once regarded as the world's most important source of edible fish, and that it will bring about greatly increased prosperity among the packers.

The treaty will be dealt with shortly by both the Canadian and United States governments. The United States is involved because the water through which the salmon make their way on the way to and from the Fraser is international and in the past enormous catches have been made by American as well as Canadian fishermen. Several efforts have been made in the past to draft workable agreements, but in each instance they have failed to get the required support. The new measure, however, is expected to meet with the joint approval of Canada and the United States.

"There is no doubt that the sockeye run to the Fraser can be restored to become an eternal source of wealth and prosperity to the people of Canada and the United States of the adjacent districts," stated a leading trade journal devoted to the fisheries industry of the Pacific Coast recently, and this is the feeling of such men as John P. Babcock, assistant commissioner of fisheries in British Columbia, who has taken the initiative in getting the agreement framed.

Under the terms of the new agreement, an international commission of six members is to be established, three to represent Canada and three the United States.

PRICE MAINTENANCE IS PUT ON TRIAL

First Group of Products is to be Announced Next Week

The testing time for the first try-out of price maintenance in Canada is drawing near, says Hardware and Metal. At a convention of druggists held in Montreal this week some 165 proprietary articles were officially announced by the Canadian Proprietary Articles Trade Association as being placed on the price maintained basis effective from August 20 or thereabouts. There is little doubt but that the matter will be thrown into the courts almost as soon as it becomes operative for the purpose of testing the validity of price maintenance under the Combines Act in Canada. If the druggist organization is upheld and declared legal in establishing prices and combining the influence of a large group of manufacturers in forcing wholesalers and retailers to abide by those prices, then it is likely that the movement will spread to other trades. In the Canadian grocery trade the Fair Trade League has been established for the same purpose, but it is being retarded in its development largely because of the fear of some of the larger manufacturers that the plan is illegal.

There is a good deal to be said both for and against the policy of maintaining resale prices and probably the best way to prove whether or not the policy is a good one is to give it a fair trial. It has apparently proven successful in the Old Country and the movement in the drug trade in Canada is being led by the founder of the English Proprietary Articles Trade Association which has been functioning for some forty years. The fact that it has been successful in the Old Country is perhaps not an indication that it will be wholly successful here, but it is worth a trial in view of the claims made for it by retailers in England. If the guarantee of a fair margin acts as an incentive to the retailer to adopt even more aggressive merchandising methods in the hope of greater rewards, it will prove a good thing. If the establishment of fixed resale prices on many important articles is carried out it will give less advantage to chain and department stores and the district retailer may benefit. If, however, the establishment of such prices is going to dull the competitive spirit of the merchant, then it will not in the end prove to be a help to him, for in any line of business the greatest rewards come to those who are diligent and resourceful.

Alberta Appoints New Dairy Council

Formation of a permanent advisory dairy council for Alberta was announced by Hon. George Hoadley, minister of agriculture. The new organization will be representative of all the varied interests of the dairy industry. The object of the minister in the formation of such a council is to get all the interests together in round-table conference with the minister to discuss problems common to the dairy industry.

This industry is considered to be one of the most important branches of agriculture, and the minister feels that by securing the advice and co-operation of the representative men in the industry, including producers, manufacturers and distributors, that the best interests of the entire industry will be served.

Migration Scheme is Launched in Alberta

Hon. Herbert Greenfield, ex premier of Alberta, has been appointed by the provincial government to take charge of a survey of the province for the purpose of determining areas suitable for land settlement, especially along community lines. He will begin this work at once, and on its completion he will go to England to work in conjunction with the various emigration organizations operating there. This announcement was made by Premier Brownlee before leaving the city for his holidays and is the outcome of a decision by the government to put on an active immigration program. Mr. Brownlee said that the government will take advantage of the better conditions now prevailing to see what can be done in coordinating the several immigration activities in Alberta, and the first move in that direction will be to make a thorough land survey of the province, with suitability for immigrant settlement primarily in view.

"It is not the purpose of the government," said the premier, "to duplicate any existing machinery or attempt to take over any work that properly should remain with the Dominion. An effort will be made to co-operate with the Dominion government and also to get in touch with the railway companies and the British Empire Settlement Board. Through the latter we hope to encourage suitable immigration.

"Much valuable work has already b done by private enterprise in certain sections of the province," Mr. Brownlee continued, "and such undertakings as the Clan Donald settlements near Vermilion and other Hebridean settlements will furnish information ready to hand."

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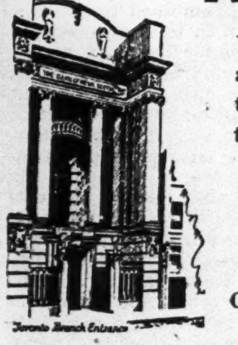

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Crop Conditions

DROUTH REDUCED WESTERN WHEAT BY WIDE MARGIN

Estimates Show Wheat Yield 25 Per Cent. Below Last Year's

It has now become established that the July drouth in Western Canada has taken a serious toll of the grain, especially in Saskatchewan, and that subsequent rains were insufficient to recoup the losses already sustained. Many sections have suffered a total loss while others reaped a crop only a fraction as large as that of last year. While many farmers will realize a bumper yield, the crop as a whole is disappointing in comparison with recent large yields. The 1925 wheat crop totalled 411,375,700 bushels; in 1923, 474,199,000 bushels were reaped. The most recent government estimate of this year's crop is 316,960,000 bushels, a drop of 23 per cent. from last year's yield, and of 33 per cent. from the 1923 output. Other organizations in close touch with the crop situation feel that the government's estimate is not far from the mark.

Cutting both of wheat and of oats is now general in almost all parts of the West. Alberta has suffered less than Saskatchewan from the drouth and it is anticipated that a good average crop will be reaped. On the other hand it will be impossible to make any definite estimate of the damage done until the grain has passed through the separators, and the actual shrinkage becomes known in the yields obtained. The grain is believed to have stood the strain well in most parts of the province, especially on summerfallow and breaking. Some sections report exceptionally good stands of grain. This is true in the Calgary area and also in the irrigation belt, so that there is reason for expecting a reasonably good yield in the province as a whole.

Saskatchewan Suffered Most

The province of Saskatchewan suffered more than the other provinces from the drouth which was more extensive as well as longer in duration. Stubble crops are not at all good. It is probable that the wheat crop will be some 25 per cent. smaller than that of 1925. Last year's spring wheat crop in Saskatchewan amounted to 240,551,000 bushels and the oats crop was 174,967,000 bushels. The estimate made recently by the Dominion Government places the wheat crop at 174,000,000 bushels and the oats at 119,700,000 bushels.

The Manitoba the effect of the drouth is less pronounced than in either of the other provinces, and as harvesting proceeds it becomes apparent that a good average crop will be realized. Cutting is more than half completed.

Most recent reports of the United States wheat crop are not particularly favorable to the Canadian outlook. Contrary to previous estimates the American wheat crop will be some 175,000,000 bushels above the 1925 harvest. The present estimate is 829,201,000 bushels against last year's 666,000,000 busheds. There was a shrinkage in area sown this year and this led to estimates far below the five-year average. In nearly all States the estimated yield has exceeded the yield indicated by conditions of a month ago. The grain filled well despite dry weather, because of cool temperatures. Threshing returns are generally exceeding the yields anticipated, and it is probable that there will be an appreciable export surplus as against the prospect a month ago that there would be no excess of grain for shipment abroad.

On the Pacific Coast and in Eastern Canada reports are somewhat better than a month ago. Conditions in general are satisfactory, although drouth on the coast is causing grain to ripen too quickly, and indicating a low yield of potatoes and roots.

Urges Regulation of Common Carriers

In advocating that common carriers over the highways be controlled, as are carriers over steel, T. E. Macdonnell, vice-president and general manager of the Dominion Express Company, stated in an address to the Rotary Club at Owen Sound, recently, that the bare cost of express transportation has not, for the last ten years, been paid by those who use it.

Touching upon the trucking competition, Mr. Macdonnell said: "Transportation on rubber over the highways is popular and is growing. Very few of those in it know their costs, especially their renewal costs, and they come and go with the seasons. They have not yet found their level. They have not yet demonstrated their ability or their desire to accommodate all of the traffic offering all of the time. To a large extent they are common carriers for hire, competing with other established carriers for the same traffic. They are free lances as to rates, service and responsibility to give a complete continuous service. Those with whom they are competing are not free. It seems to me that all carriers in competition should be controlled in like degree, or all should be set free."

International Harvester is Busy at Hamilton

HAMILTON.—A rumor to the effect that the International Harvester Co. was ready to lay off a large number of men, is denied by officials of that company, who state that while there had been a short lull recently, due to the closing of one season of the company's business, there was every indication of renewed activity and a splendid winter, and that the company would need all the men employed there at present.

"Things are looking brighter now than they have for some time," one official of this company said.

Building Permits Show Small Increase in July

The value of building authorized during July showed a small increase as compared with June, but a considerable gain over the corresponding month last year. Sixty-three cities issued permits valued at $18,717,028, as against $18,672,238 in June, and $12,812,603 in July, 1925. The increase was fairly evenly distributed between east and west. The value of permits issued in July and in the first seven months of the year for the past five years follow:

	July	7 Mths.
1922	$15,740,810	$87,022,484
1923	13,078,547	86,126,043
1924	11,681,196	72,355,350
1925	12,812,603	78,712,320
1926	18,717,028	97,337,390

Whole Families Work in Textile Plants

The woollen and knitting industry is one that particularly lends itself to the employment of entire families—father, sons and daughters, and that industries such as mining, lumbering, fishing and wheat growing, especially, do not do so, and this is one of the reasons why every principal country in the world, excepting China, Canada and Great Britain, and the latter is taking steps to do so, protect their woollen and knitting industries. Statesmen realize the capital values to their countries of families in the wool working trades, says the Canadian Woollen and Knit Goods Manufacturers Association.

Details of two characteristic families working in a woollen mill in Canada were investigated by a life insurance actuary and he found that the capital value to Canada of one was $108,276 and of the other $93,871.

The wages earned and spent in Canada by one family annually amounted to $7,540 and the other $7,384.

The tables prepared by the life insurance company actuary are too elaborate to give in full but may be shortly abbreviated as follows:

Family No. 1

(1) Father aged 50, income $40 weekly, capital value to country $19,764.

(2) Son aged 30, income $35 weekly, $28,248.

(3) Daughter aged 27, income $24 weekly, $11,367.

(4) Son aged 24, income $18 weekly, $18,653.

(5) Son aged 18, income $18 weekly, $16,669.

(6) Son aged 16, income $10 weekly, $13,575.

Total capital value to country of family $108,276.

Family No. 2

(1) Father aged 49, income $57 weekly, value to country $26,207.

(2) Son aged 28, income $35 weekly, $28,746.

(3) Son aged 26, income $25 weekly, $23,800.

(4) Daughter aged 23, income $16 weekly, $7,731.

(5) Daughter aged 18, income $15 weekly, $7,387.

Total capital value to country of family, $93,871.

NEW CLAM SHELL INDUSTRY

VICTORIA.—A new company, known as the Shell and Mineral Products, Ltd., have acquired an extensive tract of well situated, clean clam shell deposits on Vancouver Island and are installing an efficient plant here, where this product will be washed, graded and dried and placed in 100-lb. sacks for shipment. This shell is considered to be of greater value than the oyster shell, and is expected to fill an ever-increasing demand from poultry raisers, as it supplies the lime content required by poultry for the production of firm shelled eggs.

U.M.W. IN CONTROL AND MINES PROSPER

But the Reds Are Still Out to Make Trouble in the Cape Breton Coal Fields

From Our Own Correspondent.

SYDNEY.—Sharp pressure brought to bear on men outside the union has succeeded in re-establishing what amounts to the closed shop in the mines of Cape Breton which are now, on the surface at least, again organized 100 per cent. for the U.M.W. As a result, sporadic strikes have ceased, all collieries are working day and night to raise coal to fill the gaping holds and bunkers of the British and foreign ships that throng Sydney harbor to the number of 15 or 20 at a time.

Instead of quitting the field, however, the O.B.U. has just begun to fight, according to James Sykes and other local leaders. Their first move came like the proverbial bolt from the blue with the summoning of John W. MacLeod, district president of the U.M.W., and three officers of Sydney Mines local, who were sent up for trial on charges of intimidation. Briefly, the accusation was that, with a crowd of union miners, they blockaded the Princess pit, when the men were coming to work in the morning, laid hands upon those who were not members of the U.M.W. and obtained their signatures to cards authorizing the check-off of union dues from their wages, by threats of ducking them in the reservoir or throwing them down the mine shaft.

The U.M.W. chiefs at first thought it was only a pipue affair, and that no serious prosecution would be attempted. They learned the difference when they appeared in court to find Malcolm A. Patterson, former Crown prosecutor and a leading lawyer of the district, on hand with witnesses who gave such explicit evidence as to the alleged intimidation that the magistrate committed the accused for trial at once.

Meanwhile the U.M.W. district election is coming on in the near future, and it is expected to show definitely the trend of opinion among the 12,000 miners of the province. The result will probably show the progress or lack of it that has been achieved by the O.B.U. through large expenditures of money here during the last few years.

World's Great Wheat Handling Organization

The recent acquisition of the Saskatchewan Co-operative Elevator Company Ltd. by the Saskatchewan Wheat Pool makes the latter the greatest wheat handling organization in the world. The initial payment of $1,500,000 has just been made. The pool previously had made a deposit of $500,000 just prior to the meeting of the directors and shareholders of the company in April, when the decision to sell the company's properties was reached. Details of the valuation of the company's holdings made by the arbitration board have not yet been made public.

The administration of the pool will be carried on from its present headquarters in the Sherwood building, and the administration of the Saskatchewan Pool Elevators Limited, the subsidiary of the Pool, and which has control of all Pool elevators, will be from the offices formerly occupied by the Saskatchewan Co-Operative Elevator Co.

The Pool now has control of 572 country elevators; six terminal elevators at Fort William and Port Arthur at the head of the Great Lakes, and one transfer elevator at Buffalo, N.Y. Thirty new elevators were built in the province this year by the Pool, and previously the Pool had 91 elevators at country points.

The company had 451 elevators at country points. The capacity of the country elevators now controlled by the Pool is 17,160,000 bushels.

The three terminal elevators of the company will become terminal elevators Nos. 4, 5 and 6 of the Pool, making the total capacity controlled by the Pool at the head of the lakes, 18,000,000 bushels.

Newsprint Situation Proves Satisfactory

From Our Own Correspondent.

MONTREAL.—During the month of July, the Canadian newsprint production reached record figures and totaled 163,037 tons. To produce this amount of paper the mills worked at 99 per cent. capacity. Despite the increased output there has been but little increase in the stocks on hand.

The record is all the more remarkable, as, during the month of July, newsprint production usually shows a falling off.

The first seven months of the current year also shows a substantial increase in Canadian newsprint production. During this period, 1,056,790 tons were produced, which represents approximately a 22 per cent. increase over the production for a similar period in 1925. This record is within 30,000 tons of the production for the whole of 1922.

Canadian production is far in advance of the output of American mills, which produced during the seven months under review only 984,599 tons.

Export figures show an increase of about 21 per cent. over those of last year. Figures are available for only the first six months of this year, but during this period Canada exported 818,113 tons of newsprint, as compared with 677,223 tons during a similar period in 1925.

Andian Pipe Line is One of World's Unique Undertakings

The announcement that the Andian National Corp. will duplicate its pipe line from the oil fields of Colombia to the port of Cartagena, and will do further financing to this end, arouses investment interest in this important Canadian project in South America. The pipe line, which was recently put into use, has been described as the greatest step in the development of the oil industry in Colombia and one of the most unique enterprises in the world. The line follows the course of the Magdalena River, and oil from the fields of the Tropical Oil Co. is now being discharged into tankers in the port of Cartagena. Like most large pipe lines, this great highway for crude petroleum is a common carrier open to all who desire to use it and it may unhesitatingly be said that it has ushered in an era of prosperous development of Colombia's vast oil resources and will, in no small degree, contribute to the greater commercial future of that country.

The lower end of the line is at Mamonel, about ten miles across Cartagena Bay from the city of Cartagena, and thence it practically follows the course of the Magdalena River, 325 miles up to the oil fields.

The Andian brought to the work, in addition to the Colombian labor, about 350 men from the United States and Mexico, experienced in various phases of transportation and pipe line work. It is the intention as far as is possible to train Colombians in the operation and maintenance of the system.

Tankage at the Mamonel terminal consists of eleven 80,000 barrel tanks, and at the field end there are five 55,000 barrel tanks. Each intermediate pumping station has two 30,000 barrel tanks.

In addition to the pipe line concession from the Colombian government the Andian also obtained another concession which gives for a term of twenty years valuable rights in connection with maritime traffic in Cartagena harbor and the power to operate the wharves and warehouses necessary to the work.

U. S. CIRCULATION INCREASES

NEW YORK.—Figures of the Treasury for U. S. money in circulation on August 1 show a slight increase in the per capita circulation, which was, on August 1, $42.01, against $41.85 on July 1, this year. The per capita circulation is now figured on the basis of a population of 115,523,000 for the United States. An increase of gold certificates in circulation of $15,012,830 is the chief increase in the various kinds of money in circulation and accounts mainly for the increase in the per capita circulation.

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Official Statements Warn Against Optimistic Anticipations

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Aug. 18	97.9	96.0
Week of Aug. 11	97.3	94.3
Month of August 1925	84.2	76.3
9 Bank Stocks		
Week of August 18	$224	$223
Week of August 11	225	224
Month of Aug. 1925	210	208
10 Public Utilities		
Week of Aug. 18	95	94
Week of Aug. 11	95	93
Month of Aug. 1925	91	87

The Canadian stock markets have been generally strong during the week despite some developments which might have been expected to curb speculative enthusiasm—as they were perhaps intended to do. The official statement that the Brazilian board had given no consideration to a stock split or a stock dividend may be mentioned in this connection in addition to the somewhat similar statement issued by the president of the B.C. Fishing and Packing Company. However Brazilian developed strength following the announcement while Fish was sold. Business reports have been generally satisfactory and the prospects are for a continuation of good industrial news throughout the fall, which, with still comparatively easy money, may lead to higher price levels. However, there are indications that high prices are now encouraging distribution and this usually precedes a change in the trend even though the advance may continue for some time.

New York is being followed for developments as to the speculative trend. Following the announcement of the dividend declaration by General Motors there have been very violent price movements and Wall Street is evidently endeavoring to sound out the situation. United States Steel is being looked to as likely to provide leadership in any further advance. The price level is now very high but the financial community evidently expects much wider public participation than has as yet been induced before there is a definite change in the trend. Much depends on whether or not the public will live up to these anticipations.

There has been no definite trend indicated by the market changes in the bank stocks. Commerce, Dominion and Toronto have registered lower prices, while Imperial, Montreal, Royal and Nationale have advanced. Generally speaking the bank stocks continue to indicate more satisfactory business conditions and fair prospects for a continuation of moderate prosperity.

Paper Stocks Change

In the paper group Wayagamack has been the feature with an advance of about 10 points. It is probable that this is a reflection of appreciation of the company's relationship with certain big interests in the pulp and paper industry with which it is associated in the purchase of the pulpwood limits on the island of Anticosti. Abitibi has also shown strength during the week and Brompton has sold slightly higher. Laurentide, Price, Spanish, Howard Smith and Belgo have all sold higher in the advance movement which included practically all the pulp and paper stocks on the Canadian markets. There is no little talk now of over-production and it would seem that there is not likely to be unless there comes a depression in the United States which would tend to curb consumption in that market. Even then there is general confidence that the Canadian manufacturers will be able to take care of themselves in a competitive situation although the prices of their securities might be depressed temporarily.

With Steel of Canada common selling up to 109 the steel securities generally have been strong as a reflection of larger business and good prospects. Canadian Car, Canadian Locomotive, McKinnon, and Massey Harris have all sold higher. The advance in the latter was accompanied by reports of much improved operations.

In the foodstuffs group there have been a number of advances but not the same investment interest as in some other sections of the market. Lake of the Woods and Ogilvie made good gains. St. Lawrence Flour was weak. International and Maple Leaf showed little change. B.C. Fishing was one of the weak spots, selling down after the official statement by President Jarvis that nothing in the way of reorganization was contemplated. Canners preferred gained three points to 68. Canadian Bakeries sold off. Canadian Salt made a gain of 10 points.

In the utilities Montreal Light, Heat and Power continued as the star performer, selling up to 236. Shawinigan and Laurentide also did better. Ottawa Light, Heat and Power was stronger, and Southern Canada Power sold up about 5 points. Brazilian Traction was higher on the week despite an official statement that there was nothing contemplated in the way of a "melon." Duluth-Superior and Twin City were both weaker. Winnipeg Electric advanced above 50.

Penmans made a five point gain as the feature of the textile group and Wabasso gained a couple of points to 70. In the general industrials, F. N. Burt was a feature. Canada Cement, Goodyear, and Holt-Renfrew sold higher. Pacific Burt and American Salesbook were somewhat weaker.

If "Smelters" Be Split, Stock Would Be Strong

From Our Own Correspondent.

MONTREAL. — Figured at present market prices, the shares of the Consolidated Mining and Smelting Company of Canada had earnings last year equivalent to 9.2 per cent. During the first half of this year earnings were shown at $6,815,381, or equivalent to 5.8 per cent. for the first half of the year on the present stock market valuation. Presuming that the second half of the year will be equal to the first six months, "smelters" will show earnings at the rate of at least 11.6 per cent. on the present market price of the stock.

The high price at which the stock is changing hands, coupled with the excellent earning power of its mines and plants, has led to the thought in the minds of many that the shares may be split up.

Many pencils have been engaged in working out a 5, 4, or 3 for 1 split which, if it ever takes place, would certainly broaden the market for the shares. There is, of course, no official information which would indicate any such split, but from the foregoing figures, it will be seen that if the management ever decided to take such action, the new stock would be in a strong position with regard to earnings if, as and when it should come on the market. The earnings and record of the stock are such that new stock with a lower market valuation would prove popular both with investors and also with traders.

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Textiles

TOOKE BROS. SHOW HIGHER EARNINGS

President Says Future Uncertain Due to Unsettled Conditions

From Our Own Correspondent.

MONTREAL. — The annual financial statement of Tooke Brothers, Ltd., for the fiscal year which ended June 30, 1926, indicates that the company is steadily working back into a bettered earning position. For the first time in the past six years, earnings have been above the preferred dividend requirements and, while no preferred dividends have been paid since the end of 1921, yet the present exhibit is of such a nature as to prove heartening, for profits show an increase of some 16 per cent. and the balance applicable to the preferred dividend requirements has increased by around 40 per cent. The company's strong working capital position has been not only maintained, but the ratio of current assets to current liabilities has been further improved.

Changes in Balance Sheet

There were few major changes seen in the balance sheet figures, with the exception of the increased depreciation reserve, which moved upward from $142,227 last year to $158,524, as at June 30 last. After meeting all charges, the net earnings of $70,677 were transferred to surplus account, which shows this increase. Accounts payable has been reduced during the year by some $41,000; the latter change makes itself seen in the working capital position.

After dealing with the balance sheet figures, W. A. Tooke, the president, says in his remarks to the shareholders:

"While the results show a marked improvement over last year, the future is still uncertain owing to the unsettled conditions which still seem to prevail and the lack of confidence in trade, generally speaking."

The Figures Compared

The profit and loss figures and those of the working capital position over the last three years compare as follows:

	1925-26	1924-25	1923-24
Net profits	$116,777	$100,824	$ 92,117
Bond int.	22,298	25,045	23,638
Balance	$ 94,479	$ 75,779	$ 68,479
Bond disc.	1,750	1,750	1,750
Balance	$ 92,729	$ 74,029	$ 66,729
Inc. tax. res.	5,755	5,298	4,577
Balance	$ 86,974	$ 68,731	$ 62,152
Deprec.	16,297	18,786	17,539
Balance	$ 70,677	$ 49,945	$ 44,613
Prev. bal.	219,379	169,434	124,821
P. & L. bal.	$290,056	$219,379	$169,434
% Earned on Pfd.	7.19	4.97	4.46
Working Capital	1926	1925	1924
Curr. assets	$1,141,021	$1,109,143	$1,215,558
Curr. liabs.	142,975	184,009	374,869
Work. cap.	$998,046	$925,134	$840,689

TEXTILE AHEAD OF 1925

MONTREAL.—Business of the Dominion Textile Company has been running along satisfactory lines thus far this year, and the first four and one-half months are well ahead of the corresponding period one year ago. A unique feature of the moment is that the company has experienced practically no let-up in business during the summer months, although usually there is a distinct seasonal falling off in July and August.

Steedman Declares That Steamships Plan Illegal

MONTREAL.—The arrangement between the Canada Steamship Lines and shareholders, passed at a special meeting June 9 last, is declared illegal, beyond the powers of the company and detrimental to the holders of preferred stock, by James P. Steedman, Hamilton, who in Superior Court continued his argument asking that the court refuse sanction for the necessary change in the company's by-laws to give effect to the scheme.

The company declares the arrangement, which would cancel dividends on seven per cent. preferred stock to December 31, 1926, and reduce the earnings of this stock from 7 to 6 per cent., received sanction of the shareholders by a vote representing 104,163 shares, with ninety-five shares against.

The company further declares that dividends required to make up the deferred payments would reach $3,500,000. The purchase of the Great Lakes Transportation Company and the George Hall Company's holdings totaled some $12,000,000, and financial arrangement had to be made to handle the transactions, which, in time, would increase the potential earning capacity of the company, the record says.

Canadian Oil Results in Establishing New Record

Earnings of Canadian Oil Companies, Ltd., are proceeding at the highest rate in the company's history. It is understood that results for the first half of 1926 showed a considerable margin of improvement over the corresponding period of last year, with net, after all charges, running about 14½ per cent. on the common stock, computed on an annual basis. Gross profits for the first six months of the year closely approximated $300,000, and, with the best business months of the year to come, it is estimated that gross profits for the year will run well over $600,000. This compares with gross of approximately $450,000 for 1925. After interest and depreciation net profits remained at better than $190,000 and present estimates establish a figure of better than $400,000 as the likely net profits for the entire year. This compares with $300,000 for the previous year. According to the statement handed out at the close of the last annual meeting, the company showed net results approximating 11½ per cent. on common in 1925. On the basis of the showing for the first half of 1926 it is probable that results for the entire year will exceed 15 per cent. on common. Undivided surplus, which, at January 1 last amounted to $450,000, has been increased by $100,000.

Public Utilities

CONDITIONS NOT SO GOOD IN BRAZIL

Rise in Milreis Attractive to Brazilian Shareholders But May Affect Earnings

That the recent strength in Brazilian Traction is based on something more substantial than rumors of a split in shares, or a stock bonus, is indicated by the continued market advance in the face of an official statement over the signature of Miller Lash, vice-president of the company, that no such capital reorganization has been, or is, under consideration. Mr. Lash's statement follows:

"There have appeared recently in the press, both in Canada and London, England, numerous reports to the effect that Brazilian Traction, Light and Power Company, Limited, has been considering some kind of capital reorganization, supposedly by way of splitting up its shares or declaring a stock bonus. As these reports, which are unfounded, are not only misleading to the public, but also very injurious to the company's business in Brazil, the board wishes to state clearly that no capital reorganization of any kind has been or is under consideration."

There are certain indications that under the present strong demand there is at least a certain amount of realizing taking place by those who bought Brazilian at much lower levels and are satisfied to take profits. Some consideration is being given to the fact also that industrial conditions in Brazil are not so favorable as some months ago. While the advance in the Brazilian milreis directly benefits Brazilian shareholders in raising the value of the company's profits in terms of dollars, the improvement in exchange has had an unfavorable effect on domestic business and this will in turn undoubtedly affect the company's income.

Winnipeg Electric Reports Better Revenue, Lower Costs

WINNIPEG.—The earnings statement of the Winnipeg Electric Company for the first half of 1926 is an encouraging document as it shows not only a substantial increase in revenues, at $2,775,287, compared with $2,683,383, but at the same time a reduction in operating expenses from $1,940,533 to $1,927,204. Net earnings showed a material increase for the period, from $742,850 to $848,082.

Central Public Service Gross Over $2,500,000

Central Public Service Company, of Chicago, which controls, among other properties, a hydro electric plant in New Brunswick reports increased earnings for the twelve months to June 30, 1926. Gross earnings were $2,509,968. Operating expenses took $1,424,528, leaving net of $1,085,439. After bond interest there was $258,929 for preferred and common dividends and depreciation.

F. H. Blakely & Company, Toronto, are offering part of the recent issue of 6 per cent. collateral trust bonds of this company, due 1940. They are secured by deposit of all common stocks of subsidiary companies. The issue is $1,854,400.

East Kootenay Power Adds 5,000 Horsepower

From Our Own Correspondent.

MONTREAL.—The gross earnings of the East Kootenay Power Company, a subsidiary of the Power Corporation of Canada, for the month of July, amounted to $33,600, the largest in the history of the company. The company supplies power to such municipalities as Fernie and Cranbrook, and also to the coal mines in the territory. In addition, the Consolidated Mining and Smelting Company purchases power for use in its Sullivan mine and its concentrator at Kimberley; it is taking an additional 1,800 h.p. this autumn.

In order to meet the increased demand from this and other sources, the East Kootenay Power Company is installing an auxiliary steam plant, which will have a capacity of 5,000 killowatts; it is understood that it will be in operation during the coming winter.

New Methods Suggested for Asbestos Corporation

MONTREAL.—A new and important physical development for Asbestos Corporation, Limited, is being suggested by interests close to the corporation, in order that advantage may be taken of the very rich rock which is contained in the pits of the Beaver and Consoliated properties, which adjoin, while at the same time effecting a big saving in operating costs. These two pits are separated only by a wall of what is regarded as the richest rock in the district.

It is said that plans are under consideration whereby these two pits would be operated by a steam shovel instead of overhead derrick, and by operation of an incline working, which would cut through the bottom of each, the ore to be taken out through this by rail. Eventually this plan would mean the construction of a new up-to-date mill, located near the surface opening of this incline, which would considerably increase earnings and profits per ton of this higher grade asbestos rock.

ENTITLED TO SQUARE DEAL

Toronto Labor Leader: The Financial Post of Saturday last published an article on the serious handicap Canadian yarn makers are under. We are reprinting most of this article to show Canadian workers one of the reasons jobs are scarce in Canada. These manufacturers could easily employ 500 more hands if the tariff was increased sufficiently to give them control of their home markets, and as they pay taxes here in Canada surely they are entitled to a square deal in their own country.

RAILWAY EARNINGS

CANADIAN PACIFIC RAILWAY			
Week end.	1926	1925	Change
Aug. 14	$3,648,000	$3,262,000	$386,000
CANADIAN NATIONAL RAILWAYS			
Week end.	1926	1925	Change
Aug. 7	$4,953,163	$4,529,220	$423,943

GOVERNMENT
MUNICIPAL
HYDRO-ELECTRIC
BONDS

NESBITT, THOMSON & COMPANY
LIMITED
ROYAL BANK BUILDING, TORONTO, 2
MONTREAL QUEBEC HAMILTON LONDON, ONT. WINNIPEG

NATIONAL CEMENT INCREASES PLANT

Will Add a New Kiln Which Will Increase Output By One-Third

MONTREAL. — This autumn, the National Cement Co. is planning to increase its capacity by about one-third. The new addition will be the first that has been undertaken since the completion of the original plant early this year.

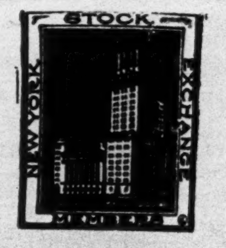
The addition will be in the form of a complete new kiln-unit, and it is understood that work on the unit will be commenced immediately. The plant was constructed in the first instance to permit of the doubling of the total capacity by the addition of three kilns, so that the completion of the present plans will be the first step in this direction.

At present, the Montreal East plant is operating to full capacity, which is equivalent to an annual output of 990,000 barrels of cement. One-third of this production, or 330,000 barrels annually, will be added by this new kiln. This would give the company a total output of 1,320,000 barrels annually from four kiln-units.

The present intention is to carry out the new development without recourse to public financing. This is largely due to the fact that the unit can be added at comparatively low cost. The plant itself is ready to take the new kiln and the installation will be a comparatively simple operation, which will involve construction of the kiln proper only, and the subsequent tuning-up of the new unit with the three old ones now in operation.

It is reported that up to the present time the company has had no trouble in disposing of its production. It has been found impossible to fill all orders, as the demand has been in excess of actual output. One reason for this situation is that, in Montreal particularly, conditions have been highly favorable to the cement industry. In the first six months of the present year, Montreal has led all Canadian cities in volume of new construction.

The price war in the cement industry continues; an effort is being made by Donat Raymond to bring about a settlement of the war; should this succeed, the situation will be much improved.



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And
Youngstown Sheet And Tube

A short analysis of these two companies appears in the current issue of our Fortnightly Review.

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Pure Gold Manufacturing Company, Limited
Incorporated under the Companies Act (Canada)
BALANCE SHEET, 30th JUNE, 1926

LIABILITIES

Accounts Payable, including Provision for Federal Income Tax		$ 200,733.19
Reserve for Depreciation, Plant		10,500.00
Profit and Loss Account	$ 21,836.18	
Capital Stock: Authorized, 60,000 Shares of no Par Value. Issued and Paid Up, 50,000 Shares of no Par Value	1,153,465.01	
		1,175,301.19
		$1,386,534.38

ASSETS

Cash on Hand and in Banks	$ 82,902.81	
Accounts Receivable, less Reserve	105,390.95	
Inventory Merchandise and Supplies	292,725.22	
		$ 481,018.98
Stocks and Bonds of Customer Companies at Cost		58,365.20
Deferred Charges		5,289.63
Land, Buildings and Plant		574,025.46
Organization Expenses		17,835.11
Trade Marks, Patent Rights and Goodwill		250,000.00
		$1,386,534.38

Contingent Liability:
Customers' Paper under Discount at Bank $ 96,216.00

PROFIT AND LOSS ACCOUNT

By Balance 1 Dec., 1924		$ 55,545.78
" Net Profit for Period ending 30 June, 1926, before providing for Depreciation and Income Taxes		82,743.84
		$ 138,289.62
To Reserve for Depreciation, Plant	$ 10,500.00	
" Provision for Federal Income Taxes	5,953.44	
" Dividends Paid Nos. 1, 2, 3 and 4	100,000.00	
		$ 116,453.44
Balance, 30th June, 1926		$ 21,836.18

Signed on behalf of the Board.
THOS. B. GREENING, J. C. JAMIESON, Directors.

We have audited the books of Pure Gold Manufacturing Co. Limited, for the nineteen months ending 30th June, 1926, and have obtained all the information and explanations which we required. We certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs as at 30th June, 1926, according to the explanations given us and as shown by the books of the Company.

Toronto, 26th July, 1926.
WILTON C. EDDIS & SONS,
Chartered Accountants

Iron and Steel

OPERATING PROFIT OF LAKE SUPERIOR CORP. IS HIGHER

Year Shows Deficit of About Half That of Previous Period

Lake Superior Corporation and subsidiaries showed net earnings to June 30 of $72,247. The previous year's figures showed a profit of $28,685. After deduction of interest, depreciation, depletion, etc., there was a deficit of $619,853 against deficit of $1,325,936.

Income account of Lake Superior *Corporation and its subsidiaries (not including Algoma Central & Hudson Bay Railway Co.)* for year ended *June 30, 1926,* compares as follows:

	1926	1925	1924
	$	$	$
Net op. prof. of subs.	724,247	28,685	1,156,740
Int. of subs & adv.	1248,958	1,276,218	1,307,827
Depr. & depl. reserves	95,142	78,403	86,162
Loss	619,853	1,325,936	236,249

Income account of Algoma Steel Corp., for year ended June 30, 1926, compares as follows:

	1926	1925	1924
Net earn.	415,764	x 323	1,042,109
Int chgs	1,054,524	1,069,225	1,066,063
Loss before depr.	638760	1,069,548	23,954

xLoss.

Concerning operations of Algoma Steel Corp., Wilfred H. Cunningham, president of Lake Superior Corp., says:

"While rail tonnage has been far below normal, the year just closed shows an improvement compared with the preceding year. Due to increased sales of merchants mill products, especially alloy steel, and improved operating practice, net operating loss of $323 last year has been changed to a net operating profit of $393,146. In order to facilitate the sales of these products the head office of the sales department was moved on May 1 from the works at Sault Ste. Marie to Montreal.

"The use of coke for domestic purposes, in lieu of anthracite has been developed in Canada, and our screening and shipping facilities are being extended to take advantage of this market. Total sales of products in 1926 amounted to $8,792,599, compared with $7,468,809 in 1925.

"The success of the corporation can only be assured with more diversification of product and increased tariff protection.

"During the past year the Canadian government has appointed an Advisory Tariff Board, before which have been placed the tariff petitions of this corporation and other producers and consumers of iron and steel. Hearings and decisions, however, have been delayed on account of the uncertain political situation.

"Value of orders on hand June 30 was $1,628,662, made up of coke, pig iron, rails and sections for the small mills.

"Coal and ore is being brought in to *provide for* any fall and winter rail business we may be able to secure, and for the usual operation of the small mills."

Canadian Car Gets Orders For 30 Cars for C.N.R.

From Our Own Correspondent.

MONTREAL.—There is no official confirmation yet of the current rumors which indicate that the Canadian Car and Foundry Company has received an order from the Canadian National Railways for the delivery of 30 new coaches. It is said, moreover, that the order has been secured on a cost plus profit basis, so that a profit on the contract is assured. Estimates of the total value of the order have been made and are in the neighborhood of $1,500,000.

The company's fiscal year ends shortly, and the business which has been obtained during the year has been sufficient to meet dividend requirements on the preferred stock and to leave a small balance applicable to the common shares. This being so, the results which have been achieved will be considered satisfactory in view of the paucity of railway orders. The business which the company has on hand at the present time augurs well for its next fiscal year which begins October 1.

Iron and Steel Output Dropped During July

The output of pig iron in Canada during the month of July amounted to 67,323 long tons, which is a decline of 5 per cent. from the 70,854 tons produced in June. Foundry pig iron output was double the 10,087 tons turned out in June. Cumulative production for the first seven months of the year was 438,096 tons, an advance of 40 per cent. over the 1925 figure.

The production of 64,847 tons of steel ingots and castings in July was 20 per cent. below the 81,277 tons produced in June. For the seven months ending July, steel output amounted to 496,031 tons, which is 11 per cent. above the 446,168 tons produced in the same interval last year.

Steel of Canada Shares Expected to go Still Higher

According to the market letter of Craig, Luther and Irvine, there is well-grounded belief that the operations of the Steel Company of Canada during the current year are showing substantial advances over those of last year in earnings available for dividends. This condition has tended to increase the confidence of investors in the company's securities and has probably been responsible for the advance of the market to new high levels in recent weeks. The opinion continues:

"The results that have been achieved, under conditions that cannot be considered as normally favorable, lead to the impression that the company will be able to reap the full advantage of any tariff changes or other protective measures that seem reasonably likely to go into effect.

"The strength of the company can be realized from a survey covering a period of years, which brings out the cumulative growth, that was checked to a slight degree in the years of depression in the industry of 1921 and 1922. Taking, for instance, the years 1917 to 1925, inclusive, the earnings available for common dividends represented 118.82 per cent. or an average of 13.2 per cent. per annum. In this time there was paid out as dividends 61 per cent., leaving a surplus put back into the properties representing 57.82 per cent. on the common stock. In those nine years profit and loss surplus increased from $6,197,854 to $9,293,584, a gain of $3,095,730. Reserves showed a gain of $6,200,908, having increased from $7,686,933 to $13,967,841. Assets rose from $42,708,290 to $50,193,707, a gain of $7,485,417. Bonds outstanding were reduced from $8,496,147 to $6,177,406, a decrease of $2,318,741. The ratio of reserves and surplus to capital, including bonds, grew from 47 per cent. to 96 per cent. by the end of 1925.

"In considering the securities of Steel Company of Canada from the point of view of an investment, it should be kept in mind that the preferred stock is not only cumulative, but that it participates with the common in any increases in dividends over the present mutual rates of seven per cent. This is a most valuable feature of the preferred stock, for it gives it not only the additional security in a preference as to assets, but the attractive speculative quality that usually is limited to the common stock of corporations. As for the common stock itself, we regard it also as a desirable investment at current market levels, as it has still an excellent yield and the experience of the past few years indicates that the maintenance of at least the present dividend rate is reasonably assured. Indeed, we look for both securities to reach higher levels."

Washington Hears Steel Business Good in Canada

WASHINGTON.—A review of iron and steel manufactures in Canada for the first half of 1926 shows a decidedly upward trend, according to advices to the Department of Commerce from Trade Commissioner Richards at Ottawa. He reports that conditions have improved from month to month in all lines and that the feeling seems to prevail that some sections of the industry in Canada are on the threshold of a record year of prosperity.

N. S. STEEL COMMITTEE FORMED

At the time that a Protective Committee was appointed by the debenture holders of the Nova Scotia Steel and Coal Co., it was announced that a similar committee would be appointed to protect the interests of the owners of the Scotia first mortgage bonds. This committee has now been appointed and consists of the following: Frank W. Ross, Quebec; Frank Stanfield, Truro; W. H. Chase, Wolfville; J. C. MacKeen, Halifax; Gavin L. Stairs, Halifax; T. F. Tobin, K.C., Halifax.

GRAIN TIE-UP HAS AFFECTED "STEAMERS"

More Ships Built and Season Has Been Good Up To Date

From Our Own Correspondent.

MONTREAL. — The latest addition to the package freighter fleet of the Canada Steamship Lines was recently launched from the Davie shipbuilding yards at Lauzon, near Quebec. The vessel will carry 2,200 tons of cargo and is especially equipped for the rapid handling of freight. Another vessel, known as the "Selkirk," will be completed without delay and will be in service in about a month's time. Still another ship, the "Winnipeg," has recently completed its official tests.

Recently also, the largest freighter on the Great Lakes, the "Lemoine," which was constructed by the Midland Shipbuilding Company for the Great Lakes Transportation Co., also received its official tests. This huge ship, which is now owned by the Canada Steamship Lines, has a capacity of 500,000 bushels of grain. She is 633 feet long with a 70 foot beam.

Thus, by the end of the present season, "Steamers" will have added to its fleet four new package freighters and one big new grain carrier—anything but a small addition for a single season.

The Canada Steamship Lines has experienced exceptionally good business during the greater part of the present season. At the moment, there is a tie-up of grain in the harbor of Montreal and many vessels have been patiently awaiting their turn to unload grain.

It is usual at the present time for the company to experience a seasonal falling off in business, to be followed later by a resumption of greater activity; it is expected that this year will prove no exception to the rule.

Naturally the tie up in Montreal has affected the "Steamers"; just how long the congestion will last grain men find it impossible to predict.

It depends entirely upon the overseas market situation, but gradually the United Kingdom, especially, which had been sending its tramp fleet to U.S. ports to load coal, is feeling the need of wheat and other grains and it is believed that within the next few weeks the movement of grain from North America will be increased. This, of course, would mean a rush of vessels to Montreal and other grain ports and the practical reversal of the present situation, with steamers waiting to load, with deliveries just about keeping pace. One thing about the situation is that given sufficient ocean vessels to carry the grain the conjestion could be relieved within two or three days.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motors	1½	..
Can. Machinery, com.	5	..
Can. Westinghouse, com.	163	..
Cosgrave Brewery	2¾	3½
Dom. Power, pref.	97	99
Farmers Dairy, com.	45	..
Farmers Dairy, pref.	95	102
Dunlop Tire, pref.	76	80
B. Greening Wire, pref.	91	94
Copeland Flour, com.	2	4
Gunns, Ltd., pref	27	30
King Edward Hotel, Deb. A.	79	81
King Edward Hotel, Deb. B.	59	61
Loew's Buffalo, pref.	42	..
Loew's London, com.	2½	3 1/10
Pure Food, com.	31½	34
Mount Royal Hotel, pref.	37	39
Willard's pref.	69	72
Capital Life 25% paid	20	25
Continental Life 20% Paid	35	..
Crown Life	122	..
Empire Life	26	..
Excelsior Life 29% Paid	57	..
Great West Life	450	..
Imperial Life	310	..
Monarch Life 10% Paid	25	..
Mortgage Discount, pref.	6 9/10	7¼
Ontario Equitable	..	25
Re-Insurance	..	25
Security Life 40% Paid	28	32
Sherbrooke Trust	110	..
Sovereign Life, 25% Paid	27	29
Toronto Finance, pref.	3	4

Stock Market Record

WEEK ENDING AUGUST 17

	Div. Rate	Yield Aug. 16	High for wk.	Low for wk.	Close Aug. 17	Close Aug. 10	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.85	225½	221	222	224½	144	226	214
Dominion	12+1	6.27	208	207	207	210	111	219	207
Can. Nationale	10	6.21	161	160	161	157½	6	170	157
Imperial	12+1	6.37	204¾	204	204	203	78	215½	200
Montreal	212+2	5.20	270	268	270	268	512	272	251½
Nova Scotia	16	5.46	293	293	293	293	5	300	281
Royal	12+2	5.60	251	249	250½	249	66	255⅛	248
Standard	12	6.28	192	191	191	191½	36	200	190
Toronto	12	5.50	...	...	...	...	...	222	213
Paper—									
Abitibi, com. (no par)	4	4.77	85	80⅛	84	80½	5795	85½	70¼
Do. pref.	7	6.42	..	...	...	...	...	116	106¾
Belgo-Can. pref.	7	7.03	99¾	99	99	99½	149	101	95¾
Brompton (no par)	.	....	34¾	33¾	34	33¾	5420	35¼	26
Laurentide	6	6.36	94½	90	93⅛	90⅛	9463	94½	81½
Price Bros. com.	2	2.81	71	70	71	70¼	195	74½	57
Do. pref.	6½	6.50	100	100	100	99½	51	100	95
Prov. Paper, com.	6+1	6.63	107	105	107	105	175	106	100
Do. pref.	7	6.57	106½	106½	106½	103¼	35	106½	100
Smith, Howard, com.	.	....	56½	52	56 ½	52	983	54½	38
Do. pref.	8	8.24	98	97	98	98	152	101	92¾
Span. River, com.	7	6.58	107	102½	105½	102½	4946	107	96½
Do. pref.	7	6.08	116½	112	116½	112	972	119	108
Wayagamack	.	....	87½	79	87½	78	3081	87½	56
Steel and Steel Industries—									
B. E. Steel, com.	.	....	½	½	½	½	10	3½	¼
Do. 1st pref.	.	....	10¼	9⅞	10	9½	370	30	9
Do. 2nd pref.	.	....	1⅞	1½	1½	1¼	160	103¾	1¼
Can. Car & Found. com.	.	....	40	40	4 0	39	25	49	33
Do. pref.	7	8.64	82½	81	82	82	568	85¾	73
Can. Fairbanks, pref.	.	....	..	...	...	...	...	60	60
C. G. E. com. (par $50)	.	....	48	48	48	48	5	51	47
Do. pref. (par $50)	7	6.30	56	55	55½	56	18	60	48
Can. Locomotive, com.	.	....	39	39	39	35	10	42	35
Do. pref.	7	8.75	80	80	80	80	27	89½	73
Canada Iron, com.	.	....	..	...	...	...	...	10	9
Do. pref.	.	....	..	...	...	...	...	42	39
Can. Forgings, pref.	.	....	50	50	50	50	5	50	41½
Dominion Coal	.	...	50	50	50	51	26	52	40
Dominion Iron, pref.	.	....	..	...	...	...	...	24¾	5
Dominion Bridge	4	4.00	100	99½	100	101	145	102½	86
Dom. Radiator, pref.	7	6.98	..	...	...	...	...	103½	100¼
Dom. Steel Corp. pref.	.	....	16½	16½	16½	16½	16	25	10⅝
Ford Motor	.	....	..	...	...	...	...	622	500
McKim. Ind. (no par)	.	....	24	23½	24	22	21	26½	15
Do. pref.	7	7.77	90	89	90	90	20	92	87
Massey-Harris, com.	.	....	65⅛	6½	65	61½	2117	65½	40
Do. pref.	7	7.36	95½	95	95½	95	129	97	93
N.S. Steel, pref.	.	....	..	...	...	...	...	25	25
Ontario Steel, com.	4+1	6.71	75	74½	74½	76	30	76	60
Do. pref.	7	7.00	..	...	...	...	...	102	98
Russell Motor, com.	8	7.50	..	...	...	...	...	42	39
Do. pref.	7	7.69	91	91	91	90	5	91	76
Sawyer-Massey, pref.	.	....	..	...	...	...	...	13	5
Steel of Canada, com.	7	6.45	109	107½	109	107½	943	109	95⅛
Do. pref.	7	5.73	122	121	121	122	130	123	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	....	22	22	22	21	35	26⅝	18
Do. pref.	7	7.77	90	89¾	90	90	25	92	89½
Atlantic Sugar, com.	.	....	24	23	24	24¼	330	33⅞	21½
Do. pref.	.	....	..	...	...	...	...	88	75
B.C. Fishing	5	6.71	75	72	72¼	76	2055	78	57¼
Can. Bread, com. (no par)	.	....	80	77½	80	80	2559	81	53
Do. pref. (A)	7	6.36	110	109½	109⅛	110	37	110	105
Do. pref. (B)	7	7.00	100	99⅞	100	100	215	100	96¼
Can. Canners, com.	.	....	..	...	...	...	...	15	12
Do. pref.	4	6.01	70	64¼	68	65	1168	70	60
Canadian Salt	8	5.97	134	134	134	124	8	145	124
Christie Bisc. (no par)	30c	....	..	...	...	...	...	63½	44¼
Can. Bak. c. (no par)	.	....	34	32½	32½	36	70	37¾	26½
Do. pref.	7	7.44	94	93¾	94	93	9	98½	92⅛
City Dairy com. (par $25)	12	4.00	75	74¼	75	74¼	90	81	64¼
Do. pref.	7	6.30	111	111	111	111	25	112	107
Cuban Can. Sugar, com.	.	....	..	...	...	...	...	5	3
Do. pref.	.	....	..	...	...	...	...	28	21½
Dominion St. c. (no par)	60c	....	64½	63	63½	63½	161	68	56
Do. pref.	.	....	..	...	...	...	...	116	106
Wm. Davies (A) (no par)	.	....	30¾	30½	30½	30¾	250	37½	29
Inter. Milling, pref	7	7.03	99⅝	99⅜	99½	99½	45	105¼	99
Lake of Woods, com.	12	8.00	155	150	155	150	11	175	139
Do. pref.	7	5.98	..	...	...	...	...	118	115
Loblaw, com.	.	....	30	30	30	30	20	30	29¾
Loblaw, pref.	.	....	..	...	...	...	...	102	100½
Maple Leaf Mill, com.	.	....	60	60	60	60¾	95	88	50⅛
Do. pref.	7	7.52	94½	92½	94½	92½	109	102	90
Ogilvie Flour, com.	5	2.60	195¼	187	195	180½	323	200	165½
Do. pref.	7	5.98	119	117	117	117	8	125	117
Pure Gold Mg. (no par)	50c.	....	20	19½	20	19½	60	23½	17½
Shred. W. New. c. (no par)	75c.	6.00	51	50	50	50¾	277	51¼	47½
St. Law. Flour, com.	.	....	36	35	35	38	26	45	28
Do. pref.	7	8.53	..	...	...	...	...	84	82
Viau Biscuits, com.	.	....	27	27	27	28	150	28	18
Do. pref.	7	7.95	88	88	88	88	1	89	85
Western Groc. c. (new)	.	....	24	24	24	24½	4	27	24
Do. pref. (new)	7	10.00	..	...	...	...	...	70	62
Do. com.	.	....	5	5	5	5	15	14¼	4
Do. pref.	.	....	..	...	...	...	...	64	49
West. Can. Flour, com.	.	....	183¾	18	18½	..	216	18¾	18
West Can. Flour	.	....	100	100	100	110	10	115	100
Utilities—									
Bell Telephone	8	5.77	139	137½	138	137½	256	141	136
Consumers Gas	10	5.75	174	173¼	173¼	175	32	183⅞	170
Iner. Util. (A) (no par..)	87¼	....	..	...	...	...	...	38½	31¼
Con. Gas Rights	.	....	..	...	...	...	...	4.85	3.90
Cedar Rapids	3	....	..	...	...	...	...	50	40
East Koot. Power	.	....	..	...	...	...	...	32	25
Jamaica Pub. Ser. pref.	7	7.21	97	97	97	98	55	99¼	96½
Laurentide Power	5	4.54	110	110	110	109	95	110	100
Mackay, com.	7	5.15	135⅞	135	135½	135½	47	136½	105
Do. pref.	4	5.59	72	71¼	71½	72	197	73½	68¾
Mexican Light, com.	.	....	..	...	...	...	...	31⅞	29
Do. pref.	.	....	..	...	...	...	...	86	64
Mont. L. H. & Pr. Cons.	8	3.38	236	225¾	235	227	6297	236	209
Montreal Teleg. (par $40)	8	6.66	..	...	...	...	...	51½	48
Montreal Pr. (new) com.	.	....	62⅞	59	62¼	..	30820	62⅞	59
Do. (new) pref.	.	....	50½	49	49¼	...	7388	50½	49
Do. pref.	6½	6.40	101½	101½	101½	101½	15	105¼	100
Ottawa L. H. & Pr. com.	6	6.12	98	96¼	98	96½	69	100	92
Ottawa & Hull Pr. com.	.	....	..	...	...	...	...	46	25
Quebec Power, com.	5	3.93	127	127	127	127	162	130¼	113
Do. pref.	7	6.36	111	110	111	112½	7	116	109½
Shawinigan	8	3.79	211½	209	211½	210	1533	212	167½
South. Can. Power, com.	2 00	2.08	96	91½	96	91½	265	96	81
Do. pref.	6	5.98	100⅜	99	100	100	311	104½	99
Do. rights	.	....	..	...	...	...	...	2	¾
Transportation—									
Can. Pacific Ry.	10	6.06	166	164¾	165	164½	97	166½	147
Can. Steamships, com.	.	....	19⅛	18½	19⅛	19	85	20	11
Do. pref.	.	....	76	74	75	75	1940	76½	56
Do. voting	.	....	..	...	...	...	...	19	11
Tractions—									
Barcelona (par $50)	.	....	36½	36	36	36	138	36½	26
Brazilian, com.	5	4.44	112¾	107¾	110½	108¼	84239	112¾	80
Do. pref.	6	5.81	106	106	106	103¼	240	103¼	97½
Detroit Un. Rly.	.	....	1¾	1¾	1¾	1¾	75	3½	1¾
Duluth-Superior	.	....	28	28	28	29	10	33¼	25
Illinois Trac. pref.	6	....	..	...	...	...	...	96¼	96¼
Montreal Trams.	10	5.79	..	...	...	...	...	178	159
Ottawa Traction	4+1	8.06	62	62	62	63	50	65⅞	60
Porto Rico Rlps. com.	.	....	44	43⅜	44	43½	51	47	40
Do. pref.	7	7.95	..	...	...	...	...	91	85½
Twin City. com.	5	7.14	70¼	69½	69½	70½	1339	79½	68¼
Do. pref.	7	6.86	102	102	102	103	35	103	102
Winnipeg Elec. com.	1	....	50½	48¾	50¼	49	933	54⅞	45¼
Do. pref.	7	7.10	..	...	...	...	...	100½	95
Textiles—									
Can. Conn. Coon, pref.	4	....	40	40	40	40½	60	49	37
Can. Converters	7	7.69	91	91	91	91	66	94	90
Can. Cotton, com.	8	6.66	..	...	...	...	...	124	113
Do. pref.	6	6.41	..	...	...	...	...	99½	93½
Can. Woollens, com.	.	....	..	...	...	...	...	8	4
Do. pref.	.	....	48	48	48	49	10	50	45
Dom. Textile, com.	5	5.31	94	92½	94	93½	142	99⅛	89
Do. pref.	7	5.88	119	119	119	118	7	122	115
Monarch Knitting, pref.	.	....	..	...	...	...	...	50	45
Montreal Cottons, com.	6	5.35	112	112	112	110	10	111	102
Do. pref.	7	6.06	..	...	...	...	...	115½	110
Penmans, com.	8	4.27	188	187	188	183	125	190	173
Do. pref.	6	5.88	103	102	102	102½	11	104½	101½
Wabasso Cotton	4	5.71	70	70	70	68	125	70	60
General Industrials—									
Amer. Sales c. (par $20)	4	6.29	65	63½	63½	65	60	70	54
Do. pref.	7	7.40	94½	94	94⅛	93½	31	98	92
Asbestos Corp. com.	6	....	..	...	...	...	...	110	89
Do. pref.	6	....	..	...	...	...	...	128	109
Do. com. (new)	.	....	18	17¾	18	18	622	24½	16½
Do. pref. (new)	7	9.85	71	69	71	70⅞	653	79¾	62
Bldg. Products, pref.	7	8.04	87	85	87	83	..	87	83
Brant. Cord. pf. (par $25)	8	8.08	26	24½	24½	25	215	27½	24½
Burt, F. N. com. (par $25)	12	5.47	56	64½	56	55	280	67½	50
Canada Cement, com.	6	5.66	106½	106	106½	105	73	111½	98
Do. pref.	7	6.14	114	113¾	113¾	114	101	120	113
Cons. Rubber, pref.	7	8.00	..	...	...	...	...	87½	86½
Can. Ind. Alc. (no par)	1.28	7.11	19	18½	19	19	1347	20	16¼
Crow's Nest Coal	6	9.19	65⅝	65⅝	65⅝	65⅝	30	85	51
Dom. Glass, com.	7	7.60	92	92	92	92	210	105	85
Do. pref.	7	6.60	..	...	...	...	...	111	105½
East. Theat. c. (par $25)	.	....	28	26	28	25¼	13	26	18¾
Do. pref.	7	7.75	..	...	...	...	...	90¼	83
Famous Players, com.	.	....	16	15	16	15	195	18½	11
Do. pref.	8	8.98	90	88	90	90	260	94¼	88
Gilman, com.	6	4.89	122½	122½	125½	125	25	126	104½
Do. pref.	7	5.44	..	...	...	...	...	128½	113½
Goodyear Tire, pref.	7	7.10	98½	96	98	96	211	98½	85
Holt Renfrew, pref.	7	8.14	..	...	...	...	...	90	85½
King Ed. Hotel	.	....	..	...	...	...	...	41	25
Kelvinator com. (no par)	.	....	15½	14½	14½	16¼	375	20¼	15
Do. pref.	7	7.77	90	89	90	88	173	93⅞	88
Lyall Construction	.	....	..	...	...	...	...	48	20
Nat. Brew. c. (par $25)	4	6.34	64	62½	63	64	1986	69	56
Do. pref.	7	6.60	106	106	106	107	40	110	106
National Brick, com.	.	....	8¼	8	8	8	55	12½	8
Do. pref.	7	11.47	..	...	...	...	...	72	60
Pacific Burt, com.	6	6.48	92½	92½	92½	94	10	110	90
Do. pref.	7	6.60	..	...	...	...	...	110	102
Port Hope Sanitary, com.	8	3.40	..	...	...	...	...	88	74½
Do. pref.	7	6.86	..	...	...	...	...	105	99
Rogers, Wm. com.	.	....	62	62	62	60	10	67	45
Do. pref.	7	7.69	92	91	92	92	33	97	90
Sher-Williams, com	6	436	..	...	...	...	...	138	125
Do. pref.	7	608	115	115	115	115	15	115	110½
Sterling Coal	4	10.12	39½	39½	39½	39½	10	43	37
Tooke Bros.	.	....	..	...	...	...	...	8	8
Do. pref.	.	....	58	58	58	58	10	60	58
Tuckett Tobacco, com.	4	6.78	59	59	59	58	5	65	58
Do. pref.	7	6.66	..	...	...	...	...	105	100
McColl	.	....	22¾	18⅞	22½	..	22½	22¾	18⅛
Woods Mfg. com.	.	....	48	47	48	47	30	48	38
Do. pref.	7	8.04	87	87	87	88	1	90	77¾
Sandard Chem. pref.	.	....	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12	....	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	6.07	..	...	...	...	...	100	90
Can. Permanent	12	5.71	210⅛	209	209½	213	40	210	202½
Colonial Invest.	6	....	6½	6½	6½	7	13	7	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.63	..	...	...	...	...	133	127½
Landed Banking	9	6.00	..	...	...	...	...	50	50
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.83	240⅛	240⅛	240⅛	235	5	245	232½
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	8.23	..	...	...	...	...	85	85
Toronto Gen. Trusts	12	5.45	225	225	225	224	1	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	7.07	..	...	...	...	...	101	98
THE CURB MARKET									
Andes Pete.	.	....	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	....	32	31	31½	32	1337	43¼	7
Beacon Oil	.	....	18	18	18	18¼	100	19½	14¼
Belding Pref.	7	....	..	...	...	...	...	101	75
Brit. Amer. Oil (par $25)	10	4.62	54½	53	54¼	53⅛	1312	54½	47
Can. Nor. Pr. com.	.	....	30	30	30	30	35	30	28
Can. Oil com.	1¼	....	79	79	79	80	10	80	65
Do. pref.	8	7.30	..	...	...	...	...	109½	100
Cockshutt pref.	.	....	69	69	69	68¾	10	69	57¼
Continental Oil	25c.	1.25	..	...	...	...	...	26	20
Do. Eng.	.	....	..	...	...	...	...	72	59½
Dryden Power (no par.)	.	....	8	7½	7½	8	70	11	5½
East Engineering	.	....	..	...	...	...	...	2½	1
Eng. Elec. com. (no par)	.	....	..	...	...	...	...	24½	15
Do. pref.	.	....	..	...	...	...	...	72	59½
Good & Worts	6	2.05	..	...	...	...	...	30½	193
Illinois Power pref.	7	7.01	99¾	99	99	98½	35	99¾	96
Imperial Oil	1.00	2.70	37	36	36¼	36	2430	38½	32½
Inter. Petroleum	75c.	2.20	35	34	34	33¾	1530	35½	29¼
Manitoba Power	.	....	40	40	40	41½	10	43	24
Newsprint Co.	.	....	..	...	...	...	...	27	18
North Star Oil com. (par $5)		....	..	...	...	...	...	125	75
Do. pref.	7	....	..	...	...	...	...	490	450
Nor. Mex. Pr. com.	.	....	43½	43½	43½	45	50	55	40
N.S. Car. pref.	.	....	15	12½	14	12½	202	15	7½
Page Hersey com. (new)	.	....	48	47½	47½	47¾	65	49	43
Do. pref. (new)	.	....	103	102	102¾	102	365	104	100½
Paton Mfg. com.	.	....	..	...	...	...	...	55	50
Do. pref.	.	....	..	...	...	...	...	98	75
Power Corp. (no par)	.	....	23½	23½	23½	22	25	28¼	22
Pressed Metals	.	...	40	38½	40	39½	131	40	30
St. Law. pr. (no par)	.	....	41	40	40	41	70	48½	35
St. Maurice Pr.	.	....	75	74	75	72½	41	82	72½
St. Maurice Valley	.	....	46	45	46	45	192	53½	40
Simpsons pref.	6	6.00	..	...	...	...	...	102	99
St. Maurice V.	.	....	..	...	...	...	...	35½	35½
Toronto, R.A.	.	....	1.60	1.60	1.60	1.55	110	163	110
Un. Secs. com.	.	....	..	...	...	...	...	65	50
Do. pref.	6	5.88	..	...	...	...	...	105	102
Volcania Oil, (par $25)	62c.	....	29	29	29	28⅝	100	29	26
Good & Worts, new	.	....	29½	28½	29	29	3215	33¾	27½

PLAYER'S
NAVY CUT
CIGARETTES
MEDIUM
20 Cigarettes 20

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NAVY CUT
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20 FOR 35¢

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FISCAL AGENTS
INVESTMENTS INSURANCE MORTGAGES

CANADA LIFE BUILDING, MONTREAL
Harbour 5161

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

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High Grade Paper Makers Since 1882
MONTREAL
Mills at Mont Rolland and St. Jerome, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

POWELL RIVER EXPANDS

MONTREAL.—The latest newsprint machine, No. 5, which the Powell River Pulp and Paper Company, of British Columbia, has added to its plant, is now in operation and being brought up to its maximum efficiency. The new unit is up-to-date in every respect and was produced by Charles Walmsley and Company (Canada), Limited. Another newsprint machine will be added in the near future; it will be known as No. 6.

Pulp and Paper

BROMPTON ISSUE BETTERS OUTLOOK FOR COMMON

The Results of Financing Set Forth—Might Redeem 6's of 1935

From Our Own Correspondent

MONTREAL.—There appears to be some misunderstanding in the minds of investors as to the exact effect of the new financing which is being undertaken by the Brompton Pulp and Paper Co. to finance the erection of its new 100 ton newsprint mill. The following shows the funded debt of the company as at the close of its last financial year:

1st mortgage 6's 1927	$4,000
1st Consolidated mortgage 6's, 1935	817,000
General mortgage 6's, 1939	788,900
Convertible mortgage 8, 1941	1,554,700
	$3,164,600

The New Capitalizations

Possibly the 1935 bonds may also be retired before their maturity; in any event $817,000 of the new issue of bonds is to be held in escrew to provide for their redemption. Thus the new bonded indebtedness of Brompton at the completion of the financing will be as follows:

1st Consolidated mortgage 6's		$817,000
New issue, probably paying 6%—		
Authorized $10,000,000		
To be issued	$5,000,000	
Less held in escrow to retire 1st consolidated mortgage 6's	817,000	
	$4,183,000	
To be outstanding		$4,183,000
		$5,000,000

In addition to the foregoing, Brompton has, and will still have outstanding, an issue of bonds on one of its subsidiaries, namely the Groveton Paper Co. This issue in the last balance sheet totalled $1,150,000; it bears interest at 6 per cent. Also, the company had outstanding at the close of 1925 notes to the extent of $400,000. There seems to be at least a possibility that the new financing might also provide for the retirement of some of this indebtedness, but as yet there has been no official information which would lead to this belief.

May Call 1935 Bonds

Whether or not the 1935 6's will be replaced by the new issue before the date of maturity depends, of course, on a variety of factors not the least of which is the state of the market for what is seen to be the senior issue. In any event, there are large annual sinking fund payments which have to be met on this issue; they will probably be utilized to retire a not inconsiderable proportion of the bonds annually.

Brompton has outstanding also $2,000,000 in preferred stock. There has been some feeling that this issue might also be retired, but while there is an excellent chance that it will eventually be wiped off the balance sheet, there is no probability of this occurring for a year or two at the earliest. This stock is all closely held.

The new financing, which will be concluded about the middle of September is being welcomed by the shareholders, for not only will it simplify the company's financial structure, but it will wipe out the high interest payments on the 1941 mortgage. Thus, with the completion of the new newsprint mill, which will give the company a larger percentage of profit on its output of pulp, the outlook for the common shareholders appears to be considerably improved.

Abitibi Subsidiary to Carry on Research Work

In announcing the resignation of R. A. McInnes as manager and the appointment of J. E. Patterson as successor at the plant of the Abitibi Power and Paper Co., Vice-president L. A. Wilson made the following interesting statement regarding the organization of a subsidiary company to carry on research work:

"There is another announcement that I wish to make at this time. Recognizing the advantages of more specialized laboratory research work, it has been decided to separate entirely from the operating organization the research laboratory. In order to facilitate this work a new company has been formed called the 'Abitibi Research Corporation' of which R. W. Hovey has been made president and manager."

More Canadian Pulps Are Imported by United States

From Our Own Correspondent.

MONTREAL.—The figures of the United States imports of chemical pulps are of special interest to investors holding securities of the companies which manufacture pulp in Canada. In June last, total sulphite imports in the States showed a decided increase, but at the same time, the exports of sulphite from this country during the month fell off; nevertheless, for the 12 months' period ending June 1926, the U. S. imports of sulphite show a marked decline, but the Canadian exports to the States showed a decided increase. This indicates that the Canadian sulphite producers are obtaining a much greater proportion of the U. S. sulphite markets.

The demand for Canadian sulphate pulp in the States shows some betterment. Imports of Canadian sulphate increased largely in June and also increased during the year. The figures reveal the fact that over the past 12 months there has been little change in the amount of sulphate imported into that country.

The figures of U. S. pulp imports follow:

U. S. PULP IMPORTS

Sulphite (tons)	Total	From Can.
June, 1925	70,383	34,273
June, 1926	85,738	30,531
12 Mos. ending—		
June, 1925	917,772	352,662
June, 1926	867,669	405,641
Sulphate (tons)		
June, 1925	28,565	8,841
June, 1926	33,635	12,229
12 Mos. ending—		
June, 1925	312,211	121,992
June, 1926	304,641	134,442

Subsidiary of Fraser Cos. May Not Call Bonds

From Our Own Correspondent.

MONTREAL.—The bonds of the Stetson, Cutler Company have recently displayed marked strength and have changed hands at over 98½. This company is a subsidiary of the Fraser Companies and the strength in the bonds immediately gave rise to the rumor that the issue would be called; it would be replaced by a new issue of the Fraser Companies to be issued with the companies' expansion in the newsprint field.

However, as far as can be learnt, there are no plans afoot for retiring the bonds and it is understood that future financing by the Fraser Companies will merely result in improving the position of the bondholders in the subsidiary company.

WAYAGAMACK PULP BONDS NOT TO BE CALLED JUST NOW

Nor Will Company Merge With St. Maurice—Earnings Increase Prices

From Our Own Correspondent.

MONTREAL.—The marked strength in the bonds of the Wayagamack Pulp and Paper Company coupled with the glorious swoop upward of its common stock this week naturally gave rise to the usual crop of rumors about the company and its operations.

The first stories to come into circulation concerned the bonds; some said that the first mortgage bonds would be called; immediately other rumors started indicating the possibility of the general mortgage bonds being redeemed also. Finally, with the spectacular action of the stock, many immediately jumped to the conclusion that the Wayagamack would merge with the St. Maurice Valley Corporation. It was said that the present bond issues would be redeemed by the sale of new issue.

But C. R. Whitehead, president of the company, has issued a denial of the rumors which indicated that further financing is being arranged, and The Financial Post learns from a source close to the St. Maurice Valley Corporation that there is no merger of the two companies in view at present.

Thus it is safe to presume that both the bonds and the stock have worked into higher ground solely due to the improved earnings with the improved attitude of the public towards newsprint securities generally.

Year Good to Date

During its present fiscal year, the Wayagamack Pulp and Paper Company has obtained bettered results in the sales of its kraft paper, due mainly to the improvement in the business situation. Shipments to the west have improved steadily and improvements in the east have kept pace with the generally bettered economic position of the west. It is understood that the company is also finding an improvement in foreign markets for its kraft paper. The electrical industry, both domestic and abroad, is a large user of kraft for insulation purposes, and this demand is one which promises even better things in the future.

Earnings Warrant Price

Last year, Wayagamack earned over 11 per cent. on its common stock and when all is said and done, it is a company's earnings which put a value on its shares, and not the amount which is disbursed in dividends. Thus, during the current fiscal year which ends November 30, the company should be able to show even increased earnings applicable to the common stock. Moreover, it is understood that the current year's income account will not show any earnings from the Wayagamack News, the wholely owned subsidiary which manufacturers Waygmack's newsprint output.

So that the present rise in the stock is perhaps attributable to the prospect of dividend payments; the rise in the bonds is probably due to the fact that there has grown up a bettered public realization of the value of these securities. Again, for a long time the Wayagamack bonds have been selling out of line as compared with other similar securities and a rise in the bonds was certainly justified ere this.

In 1920, Wayagamack obtained the necessary authorization from its shareholders to convert its 50,000 shares of capital stock of $100 par value into 100,000 shares of no par value, to be exchanged one for two. At the same time, authorization was obtained to increase the capital stock to 250,000 shares of no par value. But neither of these steps was taken so that the management could still split the stock. However, as the shares are not paying dividends, there appears no reason for any such split now.

Ontario Pulp Bonds Drawn for Redemption

Certain bonds of the six per cent. first mortgage issue of the Ontario Pulp and Paper Co., dated 1912, have been drawn for redemption on account of the sinking fund and will be redeemed January first next at 110 and interest. The bonds are numbered:

Z— 8, 9, 108, 115, 116, 165, 220, 222, 224, 225, 246, 253, 257, 344, 345, 356, 384, 389, 417, 418,
(20 x $100) each

D—5085, 5119, 5180, 5217, 5218, 5219, 5222, 5281, 6333, 5390, 5396, 5398, 5405, 5406, 5410, 5412, 5422, 5423, 5424, 5435, 5607, 5608, 5695, 5707,
(24 x $500) each)

M—10105, 10128, 10135, 10182, 10211, 10213, 10214, 10217, 10218, 10220, 10221, 10529, 10535, 10537, 10538, 10539, 10540, 10541, 10544, 10546, 10549, 10555 10566, 10637 10722, 10742, 10743, 10745, 10746, 10748, 10749, 10750, 10751, 10754, 10763, 10764, 10765, 10807, 10810, 10812, 10831, 10895, 10896, 10932, 10979, 10981, 10982, 10983 10992, 10994.
(50 x $1,000) each)

PROVINCIAL PAPER MILLS

The new machine room of Provincial Paper Mills at Port Arthur, Ontario, is now nearing completion and other construction work progressing favorably. Equipment for the big new plant has been ordered from England and initial shipment is expected in the early future. It is hoped to have the additional machine in operation by the end of the present year.

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Bryce & Co., Ltd., Winnipeg & Vancouver.
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H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.

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MANUFACTURERS FINANCE CORPORATION LIMITED
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AUTHORIZED CAPITAL - $6,500,000

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Wabasso superior workmanship, unsurpassed mechanical equipment and high standard of manufacture make these cottons the equal of any the world produces.
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MONTREAL TORONTO WINNIPEG VANCOUVER

PULP AND PAPER REPLACES LUMBER

Change in Forest Products Means Greater Prosperity for the Maritimes

HALIFAX.—While the lumber industry of New Brunswick is dead, it was being replaced by a pulp and paper development far transcending in value to the province the great industry which has passed out, was the opinion expressed to the Morning Chronicle by Angus McLean, president of the Bathurst Co. New Brunswick will witness the greatest industrial development of its history within the next two years, Mr. McLean said. The Bathurst Company is to increase output of paper and pulp by 275 tons a day, making a total of about 400 tons per day. This will be brought about within two years, will mean a very much increased employment of men, and increased industrial activity in and about Bathurst. Mr. McLean said that his company's plant was not linked up with the Grand Falls water power development, but they were developing their own power on the Nepisquit River.

Fraser Brothers will be erecting a large 200-ton mill at Campbellton, obtaining power from the Grand Falls Development, together with the International Paper Company, which will be erecting another mill of similar size at Dalhousie, and a 400-ton mill on the St. John River.

"Will the pulp and paper industry compensate for the loss of the great lumbering industry?" Mr. McLean was asked.

"It is my opinion that what is taking place in this development will be far more valuable to the province than the lumber industry," replied Mr. McLean. Lumbering, in some of its phases at least, destroyed more than it created in wealth, was Mr. McLean's opinion, and he referred specially to the portable mill. "These mills," said Mr. McLean, "use only about forty per cent. of a tree in marketable product; the rest is saw dust and other waste. They cut down, but do not replace, and frequently they burn out whole sections of country."

Laurentide and Spanish Earnings Are Not Lower

From Our Own Correspondent.

MONTREAL.—The fiscal year of both Laurentide and the Spanish River Pulp and Paper Mills ended on June 30; those understood to be in close touch with both corporations have by this time arrived at a fairly accurate estimate of the year's earnings. In both instances, they say that earnings will be at least at as high levels as last year. Should both these companies present an income account which compares favorably with 1925, the shareholders of both will congratulate themselves on the undoubted merits of the management of both companies who have been able, through economy, efficiency and increased output, to hold earnings up to last year's level despite the fact that, for the last six months of the fiscal year, the price of newsprint has been $5 less a ton.

Food Products

CANADA BREAD'S PROFITS BEST IN COMPANY HISTORY

Common Shares Earned $5.08 After Writing Down Goodwill

The operations of the Canada Bread Company, Limited, were more profitable during the past year than during any previous year in the history of the company as disclosed by the financial statement made public this week. The company continues to forge ahead in an ever growing market, and its profits increase year by year. This year, in addition to larger profits, goodwill has been reduced greatly, new bakeries have been purchased, new equipment has been added, and the return from investments has shown a further growth.

During the past year earnings available for the holders of common stock were equivalent to $5.08 a share on the 250,000 no-par value shares outstanding, after the deduction of $200,000 for good-will account. This compares with earnings of $8.68 a share last year when no deduction was made on account of goodwill. In 1924 earnings were $5.95 a share on the same basis. Profits from operations in the past year, after the deduction of taxes, were $790,812 against $722,237 the previous year. In 1924 earnings amounted to $606,598. Income from investments last year brought the total income to $813,088. An allowance of $223,473 was made for depreciation; $200,000 written off good-will; $87,500 was paid in first preferred dividends, and $175,000 was paid on Class B preferred, leaving net earnings available for common, of $127,915. The profit and loss statement for the past year, in comparison with that of the two previous years was:

	1926	1925	1924
Profits	$790,812	$722,237	$606,598
Interest	22,276	13,756	20,791
Total income ..	$813,088	$735,993	$627,389
Depreciation . .	223,475	195,829	167,929
Bond purchases	....	12,500	12,500
Taxes	....	47,499	48,053
Stock dividend .	....	25,000	......
1st prf. div. . .	87,500	87,500	87,500
B prf. div.	175,000	......	......
Common div. ...	....	125,000	100,00
Goodwill	200,000	....	....
Surp. for year .	$127,015	$242,665	$211,407
Bal. forward ..	$1,165,769	$923,104	$711,697
Total surplus ..	$1,292,885	$1,165.769	$923,104

Several Changes During Year

Relative to the changes which had transpired in the business of the company during the year, the president, Mark Bredin, said:

"It is very pleasing to your directors, as we assume it will be to the shareholders, that in the first year of our new general manager, W. T. Bredin, your company has established further new records in volume of business done and increased net results from same.

"During the year we purchased the business formerly conducted by Johnston Bros., at London, taking same over on January 2, 1926, and on May 1, we took over and started operating the Dixon Bakery and Smith Bakery in Galt. We since have closed the Smith Bakery, carrying on all the business in the Dixon plant under one management.

"In addition, during the year, we have purchased five gas-heated traveling ovens at a cost of $250,000—one already installed in our Hamilton plant, one being installed at Ottawa, and one each for Avenue Road, Bloor St. and Danforth Ave. plants, Toronto, following the policy of keeping all our plants modern in every particular.

"We recently purchased land on the highway, in Oshawa, and are arranging to erect a distributing depot there, shipping bread and cake from Toronto, daily, by our own motor delivery.

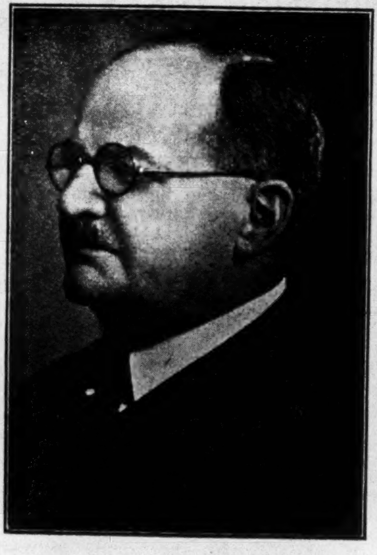
"Your directors have decided on a policy of writing the 'Goodwill' account and this year have transferred from surplus, $200,000, and from general reserve, $176,909.47, reducing book value of 'Goodwill' by $376,907.47."

Properties Are Improved

The balance sheet of the company shows that a quarter of a million dollars has been spent in improvements and in the purchase of additional properties during the year. Reduction in good-will and the depreciation charge practically offset this amount. The general reserve, as already intimated, has disappeared, having been transferred to good-will account. Owing to certain of the changes made, the working capital of the company is less than at the end of last year, being $139.920 against $429,704. Current liabilities include a $75.000 reserve for federal taxes as well as an item of $65.000, dividends payable. The investments total this year is $424.545 against $168,311 at the end of last year.

Balance sheet figures in detail for the past two years follow:

Assets	1926	1925
Cash	$204,850	$244,477
Receivables	171,108	201,767
Inventories	151,359	146,800
Prepaid expenses	14,582	16,985
Investments	424,545	168,311
Fixed assets	6,732,413	6,682,765
Total assets	$7,698,858	$7,461,105
Liabilities		
Payables	$221,526	$146,345
Wages	22,057	16 654
Tickets out	17,770	17,326
Divi. payable	65,625	......
Tax reserve	75,000	
Funded debt	1,063,232	1,078 095
1st preferred	1,250,000	1,250,000
B preferred	2,500 000	2,500,000
Common stock	25,000	......
Deprec. reserve	1,065,762	937,452
Contingency reserve	100,000	100 000
Res. for dividends	....	71,875
General reserve	....	177,587
Surplus	1,292,884	1,165,769
Total	$7,698 857	$7,461,104



CHARLES E. EDMONDS
The new President of Christie, Brown & Co., Toronto.

Ogilvie Flour Shares Highest Since March

While the prospects for the flour milling companies begin to improve with the beginning of the milling season, and a growing demand for Canadian flour abroad, Ogilvie shares are about the only milling shares which have shown any appreciable strength as yet. Current quotations are around 192, which is a rise of several points in the past two weeks. This is the highest point since last March.

New Loblaw Stock Listed on Exchange

Loblaw preferred and Loblaw common (new) have been listed on the Toronto Stock Exchange. The preferred stock is so thoroughly distributed among investors that little or no stock has been offered for sale on the exchange. The new common stock, two shares of which were given for each share of the original common stock, has been active at $30 per share.

B.C. Fishing Declines On President's Statement

The statement by the president of the British Columbia Fishing and Packing Co., Aemilius Jarvis, that there is no action contemplated by the management or board of directors towards any amalgamation or purchase of other salmon canneries, nor any scheme of re-organizing or rearranging the company's capitalization, seems to have had a discouraging effect on speculative activities on the stock market. B. C. Fishing common stock, which sold up as high as 78 evidently on the strength of these rumors, has declined more than 5 points.

Holders of stock of the British Columbia Fishing and Packing Company are interested in the fact that the new pack is beginning to move into the port, and the outlook is good. There are between 20,000 and 25,000 cases of new pack in the warehouses already.

The British Columbia pack, it is estimated, will equal that of last year, if it does not exceed it. The gain, if any, will be due entirely to the Queen Charlotte Island canneries, for the catch in the mainland coast fishery grounds has not been as heavy as expected. The Queen Charlotte Island canneries, however, will at least recover this loss. Their grounds yield pinks, which run every second year. The Queen Charlotte canneries, ten in number, did not operate last season, as there was no run, but they are reported doing well this year.

Reports from United States indicate a better than normal catch in Alaskan waters. Puget Sound and Alaska, it is estimated, will exceed 5,500,000 cases. Both in British Columbia and at United States export points the 1925 pack is virtually cleaned up.

Canada Biscuit Co. to Issue More Bonds

It is understood that an additional issue of $600,000 6 per cent. first mortgage bonds of the Canada Biscuit Company, Ltd., will shortly be issued, bringing the total issue outstanding to $2,200,000. The purpose of the additional issue is to apply on payment for the business of the D. S. Perrin Company, of London, which was recently acquired. When the present financing is completed, the capital structure of the Canada Biscuit Company will be as follows: $2,500,000 first mortgage 6 per cent. bonds; $5,000,000 cumulative preferred stock of $100 par, and 100,000 no-par value common. Capital outstanding consists of $2,200,000 first mortgage 6 per cent. bonds; $3,519,000 preferred stock, and 87,280 shares of no-par common stock.

International Milling Increases Its Capacity

Holders of stock in the International Milling Company are following with interest the progress of the company in western Canada. In accordance with the company's policy of expansion, the Robin Hood Flour Mills, owned by the International Company, has purchased the Interprovincial Flour Mill at Factoria, a few miles north of Saskatoon. The mill has a capacity of 800 barrels a day and will employ about 40 men. Plans are being made to overhaul it immediately with a view to commencing the production of flour in October.

Pure Food Stores Add to Their Chain

Pure Food Stores, Limited, opened its thirty-fifth chain grocery store in the town of St. Lambert, P. Q.—a suburb of Montreal on the mainland at the south end of Victoria Bridge—on July 10 last. During the last week of July stores Nos. 36 and 37 were opened in the city of Montreal. The furnishing and equipment of these new stores is being paid for out of current earnings. Pure Food Stores common has been in demand around 33½ recently.

Western Canada Flour Will Redeem Bonds

Official announcement has just been made by the Western Canada Flour Mills Company that on the first of September they will redeem all their first and refunding mortgage 6 per cent. gold bonds by payment of the principal, together with a premium of 5 per cent. and accrued interest. The first mortgage twenty-year sinking fund sterling bonds will also be redeemed on the same date and under the same conditions.

PURE GOLD COMPANY HAS LARGER PROFITS

Balance Sheet Shows Surplus of $21,836 as After Depreciation Reserve

The Pure Gold Manufacturing Co., Ltd., has just closed another successful year showing larger profits and a stronger cash position. The operations of the company during the year have made possible a profit of $82,743, before providing for depreciation and the payment of income taxes. This is increased by $55,545 by balance at the beginning of December, 1924, making a total of $138,289. Payments include $10,500 to a reserve for plant depreciation, $5,953 for the payment of federal income taxes and $100,000 for dividend payments. This leaves a balance as of June 30, of $21,836.

The Pure Gold Manufacturing Company has maintained an unbroken dividend record since 1901, with the exception of the period 1915-19, when it seemed advisable to conserve resources. Dividends were resumed in 1920 and have continued since without interruption. There are outstanding at the present time, 50,000 shares of no-par common stock.

A statement of the assets of the company shows a cash surplus of $82,902, accounts receivable of $105,390, and inventory merchandise and supplies to a total of $292,725. Other assets include stocks and bonds of customer companies, of $58,365; land, building and plant valued at $574,025; trade marks worth $250,000 and organization expenses of $17,835. This, with smaller items, makes a total of $1,386,534. Details of the company's financial standing follow:

Capitalization—

	Authorized	Outstanding
Stock	60,000 shs.	50,000 shs.

(No par value)

Funded Debt—
None.

Dividend Record—
Dividend, 50 cents per share paid April and Aug., 1925.

Officers and Directors—
T. B. Greening, pres.; W. S. Greening, vice-pres.; C. R. Cherry, vice-pres.; J. C. Jamieson, A. C. Matthews, C. E. Spooner, F. H. Deacon.

Market Record—

	1925		1926	
	H	L	H	L
Stock	27	21½	23	18

Piggly-Wiggly Stores Have Changed Hands

From Our Own Correspondent.

MONTREAL.—A strong Montreal-Toronto group has recently acquired the Montreal Piggly Wiggly Corporation from the American corporation of the same name. A large amount is said to have been involved in the deal. The new interests came into control of the property at the beginning of July, but the actual operation and direction of the stores only began this week.

It is understood that an extensive expansion programme is being put under way by the new interests. Up to July 1, only four stores had been operated in different secetions of this city, but two additional stores have since been opened, and two more will be opened within the next two weeks. It is understood that the chain will be extended until, by January 1, 1927, twenty stores will be in operation, while, during the first half of next year, a further twenty stores will be added. This will give the new company a total of forty stores one year hence.

The original Piggly Wiggly organization in Montreal met with financial troubles some two years ago, at which date the parent organization in the United States came to its rescue.

The Montreal-Toronto interests who have secured control of the Canadian company will shortly make an official announcement with regard to their acquisition, and will outline their plans for the future. It is not known yet whether the deal will be financed privately or through a public issue.

NEW FINANCING OF THE ANDIAN CORP.

New Issue to be Offered to Present Shareholders — A Canadian Project

NEW YORK.—Increasing the capacity of the pipe line of the Andian National Corp. from 30,000 to 50,0000 barrels capacity daily will cost about $6,250,000 and the funds will be obtained by offering to shareholders, on the basis of one share for four, 625,000 additional shares at $10 a share. Books are to be closed from September 30 to October 15 and payments are to be made on or before October 15 in United States funds at the National Bank of Commerce of New York.

Andian National is controlled by International Petroleum, Ltd., a subsidiary of Imperial Oil, Ltd. The latter, in turn, is the Canadian subsidiary of Standard Oil of N. J.

When the Andian's line was financed a few years ago, International Petroleum subscribed to 500,000 shares at $10 a share, the same as price now fixed on additional stock. For concessions, terminal properties, etc., 1,000,000 shares of Andian National stock were exchanged. An issue of $10,000,000 first mortgage 6 per cent. bonds was sold carrying warrants permitting purchase of 20 shares at $10 a share for each $1,000 bond. To exercise the new 25 per cent. subscription privilege, holders of the bond warrants must first exercise their rights to purchase stock and become stockholders on or before books close on September 30. Otherwise, the right to subscribe to 25 per cent. additional stock will be forfeited. No fractional shares will be issued.

FRASER SELLS BEAVERBROOK?

MONTREAL.—Lord Beaverbrook, in addressing an audience in the Maritimes this week, pledged his British newspapers to use New Brunswick newsprint. This shows the broadening markets for the output of Canadian newsprint mills, and probably indicates that the projected newsprint mills of the Fraser Companies will sell a portion of their output to the Beaverbrook press.

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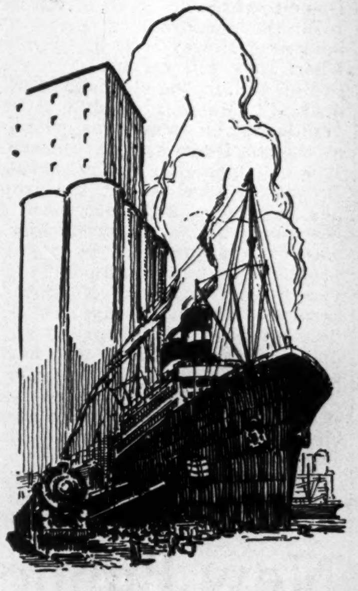

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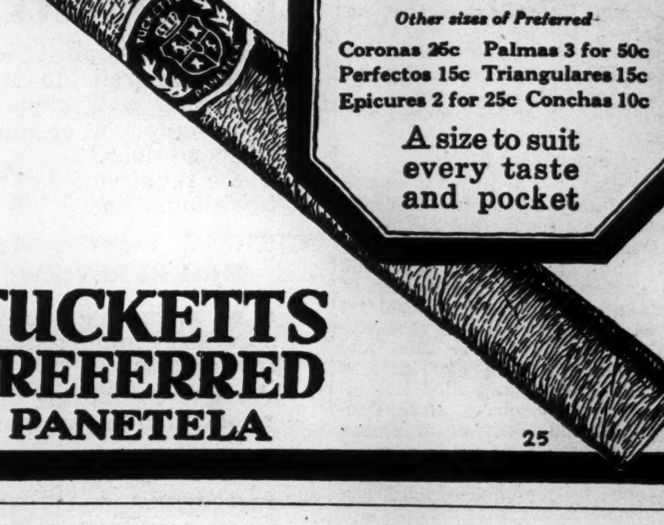

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HUTTERITES ARE GOOD FARMERS

CALGARY. — So successful have the Hutterites been with their colony, some 40 miles east of here, that they have paid more than $150,000 cash for farm lands west of Beiseker, 45 miles northwest of this city, as a colony site. About 45 persons will comprise the colony which is self-contained, operating its own stores and other commercial enterprises. The members are allotted supplies and funds by the secretary-treasurer and work on a community co-operative basis.

News of the Mines: *A Department for Executives and Investors*

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

FORMER HOLLINGER MANAGER LIKELY TO OPTION HOWEY

Dome Dropped Out Because Terms Were Too Stiff — Syndicate Shares Down

The bad news about Red Lake is out. Dome has dropped its option. This by no means detracts from the possibilities of the Howey property being a mine, or against the possibilities of the Red Lake area being a mining camp; but it does emphasize, what The Financial Post has constantly pointed out about the camp, that it must go through its ups and downs, the same as any other camp, and will not for years reach its proper level.

The Financial Post has been criticized for its attitude on Red Lake. It was considered too conservative. The Financial Post always thought that the camp was being over-boomed. Red Lake has possibilities, but it will take many years for those who put their money into propositions to realize in full what they were led to expect in a moment by the hurrah boy press agent stuff with which the papers were flooded.

The Financial Post believes that Red Lake will make a camp. It does not consider the Dome action necessarily implies any lack of merit in the property. Simply, Dome bit off more than it wanted to chew and perhaps sees a chance of a better deal.

At last Dome has dropped its Howey Gold Mines option. It has been coming for some time. There were possibilities, for a time, that an amicable arrangement would be made and Dome continue. Such was not to be. The definite break came this week.

There were many reasons for believing that Dome would not carry on with the property. The option price was too steep. It seemed at the time of the giving of the option as if Dome was being swayed by the Red Lake boom, just as much as the ordinary citizen. This refers to the 25 per cent. non-assessable interest which the Howey Syndicate received in the Howey Gold Mines. On the other hand, the Howey Syndicate heads have not been satisfied with the Dome methods. There has been a certain amount of friction.

Some time ago The Financial Post published the story of a near break because the syndicate heads were not getting complete details of the diamond drill assays. It was denied in some quarters but it was nevertheless a fact.

Another Dispute Aroused

That breach was healed but almost immediately another bone of contention arose. The Howey Syndicate sent in a plant to the property. The syndicate heads were not satisfied and never have been satisfied with the Dome exploratory methods. Dome confined its efforts to diamond drilling. No trenching or surface work was carried on. It is generally considered good mining practice to either do surface trenching before diamond drilling or to carry both on simultaneously. A great deal of useful information is frequently lost by neglecting surface work.

Finally Dome withdrew. The meeting was held in Toronto this week. As soon as possible, perhaps in a week or ten days, a meeting of the directors of Howey Gold Mines will be held in Toronto and at that meeting it is expected that Jack Hammil will present a proposal for a deal with new interests. It is believed that this deal will be with Percy Robbins, former manager of Hollinger Consolidated Gold Mines and now a resident of California.

Might Make New Deal

It is generally believed that the dropping of the option by Dome is because Dome directors felt in the Howey Gold Mines option Dome had bitten off more than it could comfortably chew. If the Howey Syndicate would modify the terms, to suit Dome's ideas, undoubtedly Dome would carry on. Most likely Dome in dropping the option has hopes that it will ultimately get the property back on a better deal. This, of course, is only conjecture, but it is the usual thing.

It is generally conceded that the Howey property will be a large low grade gold mine. It will take a couple of years' hard work, however, to bring it around, and a railway will be necessary. Mr. Hammil says that on Dome figures they have a mine. This is undoubtedly true but it is not a bonanza. The ore bodies are of great width and of commercial grade. It will be a question of big tonnage and low costs.

Terms Were Stiff

Dome's deal specified that it was to pay the Howey Syndicate $500,000, and Dome has already paid $50,000 of this. Dome agreed to spend $10,000 monthly and take down 2,500,000 shares of Howey Gold Mines stock at 40 cents a share. For the $500,000 Dome was to pay the Howey it was to also take down stock at 40 cents, and will get stock for the $50,000 paid as well as the money expended in diamond drilling the property. Besides receiving $500,000 cash from Dome, Howey Syndicate was to receive 25 per cent. of the capital stock of Howey Gold Mines, fully paid and non-assessable. Some figure that when all is concluded with Dome it will be found to hold between 350,000 and 400,000 shares of Howey Gold mines. This will hang over the market of any future operation unless any new interests are able to make a deal with Dome to take this stock off its hands.

In the meantime a great many holders of Howey units are wondering where they will get off. The answer to this will depend on the kind of new deal Mr. Hammil is able to make. Will he be able to make as good a deal as the one Dome has just thrown up? It is not impossible but is improbable. No matter what is said, the property has received a definite setback from the Dome action. Undoubtedly this was fully appreciated by the Dome people. The writer can point to other properties of merit in Northern Ontario that are idle to-day, having once been optioned at high prices and the option dropped. Those who held the option really want the property and will take it any time, if they can get it at their own terms. It is a game of checkers, pure and simple. All are jockeying for position.

Undoubtedly Dome hopes that no one will make a better offer than they might be expected to make. Capitalists are not philanthropists and the whip the new interests will have to wield is that the Dome dropped its option.

Expect Easier Terms

The feeling is general that the next deal on Howey will not mean any cash for the syndicate, if the 25 per cent. interest is insisted on by the syndicate. On the other hand if some cash is insisted upon, then it is almost certain that the 25 per cent. will be whittled down.

At the time of writing Howey Syndicate units, which have been heavily traded in for some months, are selling around $100. There are about 5,000 issued. This puts a valuation on the syndicate interest in any new deal at $500,000. Some of the holders paid as high as $330 for the units.

Dome shares broke down to $10.30 on the announcement of the dropping of the option. Dome now has but its own property and perhaps its Red Lake claims which were staked at the time of the first rush.

New Publication Surveys Canada's Mine Industry

Financial Post Survey of Mines Annual Will be of Value to Investor, Mining Man, Broker, Prospective Mine Operator or New Capital Seeking Profitable Employment

The Financial Post is preparing a complete survey of Canadian mines and minerals. It will be published in September.

Mining men, brokers and investors have long felt the need for such a record. The Canadian mining industry is expanding rapidly. Successful speculation must have a background of past effort correlated with the latest news of development. There is no complete record of Canada's mines, hence one reason for this new survey of mines.

The first issue of the book will picture the mines as they are to-day, while the records of operations will be analyzed for five years back. Production, costs, recovery per ton, mining and milling methods will be analyzed. All this will be presented in a readily accessible manner. The provinces are being divided into camps and each featured by a short concise statement of the geology. The possibilities for future exploration and development will be pointed out by authorities that know these camps intimately.

While the publication will be a survey of mining operations, it will also serve as a prospectus of Canada's mining industry. Mining men agree that the potential mineral wealth of the country is tremendous. The Survey of Mines will indicate the possibilities of the various camps for intelligently employed capital.

Investors are being constantly asked to purchase stock in various ventures; others have held shares in companies for years. There are hundreds of such companies in regard to which no information in readily available. The Survey of Mines will place right at the finger tips a quick and plainly told story of these different operations.

The Financial Post has put forth the greatest effort to get first hand authentic information on the some 3,000 mining and oil companies that the Survey of Mines will review. The mass of information about each has been correlated and submitted to the companies for their checking. One very valuable feature will be the listing of officers and directors of every incorporated company. It will be a Who's Who of mines and mining.

LARGE OPERATORS IN QUEBEC AREA

Great Many of Them Carrying On Extensive Exploratory Effort

The success which is attending operations on the leading mines in the Rouyn district is acting as a magnet in attracting the attention of the more conservative mining companies of this continent.

Bearing testimony to the good opinion which is held in regard to the prospects of being able to develop still more important mines is the long list of names of leading companies who are conducting exploration operations in the field.

Included in the list is Consolidated Smelters, Coniagas, Huronian Belt Pioneer Mining Corporation, Nipissing, M. J. O'Brien, Victoria Syndicate and various other companies. Needless to say, these companies would not be found directing their combined attention toward any new mining field other than one in which there is a belief that other great mines are to be developed, in addition to Noranda, Towagmac, Waite-Montgomery and Amulet.

Operators too, of such properties as Duprat Mines, Grover-Daley, Area Mines, Laval-Quebec, Stadacona and various other enterprises are fully cognizant of the fact that it only requires one important discovery to place them on the road to important success. When it is found that dip-needle surveys and other surface exploration indicates the presence of big zones of mineralization, the interest of directors and shareholders becomes intensely keen during the course of work in search of areas in which the mineral may be found concentrated into rich ore bodies.

In a virgin field of such wide extent, the sun never rises on a day but what holds out reasonable promise of some new discovery being made in some part of the field. It is not any wonder that interest is keen and that hope and confidence are running high.

Large Body of Massive Sulphides on Towagamac

The Alderson and MacKay Mine (Towagamac) in Boischatel Tp., Que., is being developed and explored by diamond drills and underground work. Two ore bodies were found by surface trenching and one ore body with the dipping needle. The drilling shows a large body of massive sulphide ore. The deepest hole drilled cut the ore at 300 feet below the surface and indicates that it is one of the largest bodies found in the district.

Duprat Copper Showings Are Very Encouraging

Duprat mines first annual meeting was held recently at Quebec. The company has two groups of claims in Duprat Tp., Quebec, one adjoining Waite-Montgomery and the other Consolidated Smelters. The directors in reporting to shareholders said that during the year they acquired an additional four claims in the township of Montbeillard on Lake Kekeko. These four claims contain flux which is used in the treating of copper ore and adjoin the properties controlled by Alderson-McKay. Ore from these properties have given assays in gold of $5.80 per ton.

Development work on the two groups in Duprat Township resulted in the locating of ore on the south group which when assayed ran 10.90 per cent. copper. Further work carried on on this area at a depth of nine feet resulted in the locating of ore which ran 20.72 per cent. copper, 1.87 ounces of silver and traces of gold, to the ton. This work was completed last fall and was so convincing that during the winter months permanent camps were built capable of housing twenty to thirty men and this spring development work was undertaken on a much larger and broader scale.

PETE. LAKE AGAIN AMONG OPERATORS

Sinking Operations Started This Week—Shares Called For Trading

Peterson Cobalt shares were called for trading on Standard Mining Exchange yesterday, the opening price being 17 cents. The company, a reorganization of the old Peterson Lake, has launched operations. New machine drills have just been purchased and work on the first winze from the 155-ft. level was started this week. The slimes recently cleaned up, left by the last operation, netted the company considerable cash.

Peterson Lake is gambling on the success met with by the O'Brien on the north, it having developed high-grade silver veins close to the Peterson Lake boundary. This led to the present reorganization. Ample funds are being provided to carry on large scale development and exploration in the diabase-keewatin contact area towards the O'Brien line. Prominent mining engineers have expressed the opinion that this territory, which is as yet almost entirely unexplored, offers attractive possibilities for encountering high-grade similar to that discovered on the O'Brien. On the other hand, Nipissing is carrying on exploration through one of its shafts a short distance from another section of Peterson Cobalt, driving in the direction of Peterson Cobalt boundary line and is said to be meeting with success. This operation naturally lends further interest to Peterson Cobalt's prospects.

NIPISSING TAKES OVER NEW GROUP

Reported to Have Optioned Gerard Property in Lorrain —Has High Grade Silver

It is reported on good authority that Nipissing has taken an option on the Gerard property in South Lorrain. The purchase price is said to be $300,000 and $10,000 has been paid.

The claims are located in the extreme southern part of the area, right along the Montreal River. It is stated that a four inch high grade vein has been opened up on surface with values running from 600 ounces to as high as 4,000.

Developments are reported to have come along so well on the Nipissing property in Lorrain, east of Canadian Lorrain, that during the coming winter the company will make a start on the erection of a mill.

MUCH STRIPPING ON MARCLAY

W. F. Wright, president, Marclay Mines, Boischatel Tp., Que., has concluded his first visit to the properties. He reports that 1,000 feet of stripping has been done and this uncovered some excellent showings. The width runs 25 feet.

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News of the Mines

KIRKLAND MINES LEAD MARKET ON UPWARD SWING

LakeShore and TeckHughes Each Show Material Price Advance

Under the leadership of Kirkland Lake issues, the mining market has shown a great deal of strength during the past week. Lake Shore and Teck Hughes have made new high levels for all time, the former passing $14 for shares of $1 par. Teck Hughes sold above $4.15. Practically all the mining shares came in for a share of the interest thus created in the market. Kirkland Lake Gold which has been selling of late below the dollar mark moved up steadily to around $1.15 but later reacted a little. Wright Hargreaves remained steady. As was pointed out last week the market for these shares is steadily narrowing owing to so much of this stock being taken off the market by insiders. It was stated to the writer recently that following a visit to the mine at Kirkland Lake one large shareholder returned to Buffalo and took an additional 2,500 shares off the market. It is believed that fully 75 per cent. of the outstanding stock of this mine is now in the hands of the Buffalo group composed of about five men. The same interests are also big holders in Sylvanite which adjoins Wright Hargreaves on the east and which will instal a mill this fall.

Lake Shore Rumors

Rumors about a Lake Shore stock dividend to shareholders is back of the heavy increase in price of the shares of that company which have advanced $2 in about 10 days. There must be more than rumors, however, to result in such a heavy backing of the shares. It takes a good deal of real money to even buy Lake Shore on margin at present prices and speculators are not likely to do so extensively on mere rumors.

McIntyre is up a dollar a share again. This stock, besides always being popular with the general public, and possessing great future possibilities, has the earmarks of pool operations, as its fluctuations of about a dollar a share up and down, in between its major or permanent movements, have been of the greatest regularity.

Hollinger, if anything, has been slightly weaker during the week, while Vipond, which it is officially announced will increase its capital from $2,000,000 to $2,500,000 has shown considerable strength. It is believed that the capital increase, when explained, will reveal plans for absorbing in part, if not all, the holdings of British Porcupine, a company holding the old Thompson Krist and Crown Reserve properties. Lying to the west of these latter are the Inspiration claims which Vipond interests already control. The Vipond developments, the writer believes, are of decided importance, much more so than is apparent at the moment.

Dome Slipped Back

Dome shares weakened again, slipping back to below $11. Rather an interesting review on Dome was contained recently in Homer Gibson's market letter, the purport of which was that the Dome picture may not be quite as bad as it has been painted. Mr. Gibson bases this on the history of the venture as a mining enterprise. To this may be added the fact that in the past Dome officials have lent themselves, perhaps unwittingly, to efforts to depress the stock. They have pictured the Dome property as being decidedly erratic and their policy of silence when wild rumors and bad reports were prevalent has been of inestimable value to the "bears" or market manipulators. It has always been difficult to dissociate the Dome mining operation from Dome market operation.

Mining Corporation shares are back below $4 again. There has been a steady accumulation of this stock going on for a couple of years now, but more especially in the past year. These shares have been passing into strong hands, being taken up as an investment. With the price of the stock slipping back, it is likely that this accumulation will be resumed.

Coniagas and Coniarum have remained stationary. The former is selling at the higher level, $4.15, compared with $3.30 for Coniarum. The difference is due to the good reports coming from the Quebec properties of Coniagas and the report that a subsidiary may be organized to operate them.

South Kirkland Belt is Showing Up Well

Developments of importance for the south belt in the Kirkland Lake camp have taken place on the Servais Gold Mines located 1¼ miles south of Lake Shore. A large break, averaging around 30-ft. in width, has been stripped on surface for 1,000-ft. There is a little free gold here and there and assays run around $5 and $6. The outlook for the property is very interesting and President N. Servais says that he is now making arrangements to undertake a diamond drilling campaign to test out this break as well as the several other veins on the property. Thos. J. Flynn has been the engineer in charge of the work done this summer.

There are several likely looking properties along this break of the camp. For the most part, the area has been neglected, none of the companies being in a financial position to carry on an aggressive exploration campaign.

REO LAKE PROSPECTORS WILL ALSO GET PROPERTY BACK

Reo Lake Prospectors Syndicate will get its property back from Dome. Payments made on the property total $10,000 and in addition $15,000 was spent on the property.

Crown Reserve Will Make Share Exchange

Crown Reserve is selling preferred shares to provide a mill for its Larder Lake property. It is seeking $400,000.

A special meeting is to be held Aug. 18, for the purpose of approving the recently passed by-law which authorized reorganization of the company. Under the new by-law the name of the company is changed to Crown Reserve Consolidated, and the capitalization is changed to $3,000,000 in the form of 2,500,000 common shares of $1 par value and 500,000 preference shares. These preference shares are being disposed of at 80 and bear 8 per cent. interest.

In event of the by-law being approved, shareholders of Crown Reserve will receive one share of Crown Reserve Consolidated for three of the present shares. Not only this, but the new shares will only be issued subject to pool until Aug. 1, 1927.

It has been pointed out that certain heavy shareholders have not been showing the amount of interest that might be expected. They are neither advancing opposition nor offering direct approval. As to this, it has to be kept in mind that it requires a vote of two-thirds to carry such a by-law. For this reason those in favor of the proposal are urged to be present at the meeting.

Sale of 500,000 preference shares at 80c. each would place about $150,000 on hand for further development and would provide $250,000 for erection of a mill of about 300 tons daily capacity.

EASTERN GALENA PROPERTIES OPEN

U.S. Groups Have Taken Up Three Holdings—New Mill Built

Good progress is reported on the Neale-Hollandia galena property, north of Bannockburn, Ontario. The gang of men that have been working at this property for the past three months has been considerably increased, the timbering of the main shaft completed and work on the new hoist house begun. The old reduction mill has been torn down and is being rebuilt and equipped with modern machinery. Prospecting along the vein toward the Roberts property just north of the Neale-Hollandia has disclosed very important lead bodies. Massive galena has been found in almost every instance. The Neale-Hollandia mine is one of the largest and most important lead deposits in Eastern Ontario and the present work is under the supervision of W. J. Neale, New York, mining engineer, who is managing director of the company. This organization has acquired an option on the Crysler property some distance north of the Neale-Hollandia which is another important lead proposition. The company intend starting development work on this property in the near future.

J. G. Martin, real estate broker, Niagara Falls, N. Y., is developing the Roberts property just north of the Neale-Hollandia and has done considerable work, and this, too, bids fair to become an important mine and its proximity to the Neale-Hollandia assures its future success.

Ralph Sidway, a Buffalo capitalist, has recently taken over the Osborne galena property a short distance east of the Neale-Hollandia and has already begun operations.

Mr. Nugent expressed himself as being highly pleased with the progress made on the various galena properties this season and states that he has been approached by several other American companies who are desirous of obtaining information in reference to galena deposits in Hastings County.

Original Woman Lake Group Has Big Values

Reports coming out from Woman Lake are of a decidedly favorable character. M. C. Cowan, of Ontario, Woman Lake mines, has just received reports that on the property of his company at the Narrows, the first claims staked in the camp, samples assayed give $42 over 11 feet, while the Medicine Rock reports are that values are extremely high. The company is carrying on an aggressive program of exploration and Mr. Cowan is going into the camp to give the claims a thorough channel sampling.

The chief rocks exposed are green stone, schist and porphyry. The principal vein so far discovered is a highly silicified and mineralized zone, galena being very noticeable. This vein has been uncovered for about 300 feet and traced for over a quarter of a mile, which passes the four corners running about twenty degrees north-east, and dips south, ranging in width from ten to forty feet. A strong quartz vein has also been opened up.

Medicine Rock is an island located at the narrows of Woman Lake, and is a massive outcropping of ore, a copper gold proposition. From this property it is possible to get a tailing of gold in the pan from four to six inches long.

Noranda Cuts Upward Extension of Rich Ore

Noranda has cut the upward extension of the rich ore body, recently found on the 300-ft. level of the Horne property at the 100-ft. level.

It is too early to state the width of the ore body as found at the 100-ft. level or to give the assay results. However, the first indications are that it compares favorably with conditions at the 300-ft. level.

The drift at the 300-ft. level showed a large volume of massive chalcopyrite, made up of about 30 per cent. copper and also carrying high gold values. The first blast into the deposit at the 100-ft. level has disclosed massive chalcopyrite, and it is generally believed that this development has automatically added many million dollars to the probable ore reserves of this remarkably rich mine.

Will Dome Continue to Pay $2 Per Share?

What of Dome dividend?

It is suggested that now that Dome has halted expenditures on the Howey there will be no need to cut the Dome dividend. The dropping of the option in no way alters the situation. Dome has a dividend assurance fund of around $2,000,000. The Howey expenditure was out of surplus, also standing around $2,000,000. Dome can continue, if deemed expedient, to pay $2 per share until the dividend assurance fund is exhausted, trying meanwhile to find new ore shoots that will allow it to earn the dividend. Dome is not earning its dividend to-day and is drawing on the dividend assurance fund for a part of it.

MINING STOCK QUOTATIONS

Week Ending August 17

	High for wk.	Low for wk.	Close Aug. 17	Close Aug. 10	Sales for wk.
Amulet	1.39	1.33	1.35	1.32	57790
Apex	3⅛	3	3	3	1500
Algonquin	3½	2	2	3	3500
Argo. Cons.	22	20¾	22	21	158050
Area	31	28½	29½	30¾	44250
Atlas	3½	3½	3½	2½	2500
Baldwin	3⅝	3	3	3	77000
Barry Hol.	59	53½	58	55	74750
Beaver	81	79	80	81	30400
Bidgood	5½	5½	5½	5	1000
Buckingham	3½	3½	3½	3⅛	1000
Bourlamaque	1.07	1.04	1.05	1.05	32700
Chaput Hughes	9	8	9	7½	9000
Can. Lorrain	91½	89	89½	88	38000
Capitol	36	32½	34	36	42500
Castle Tre.	1.52	1.41	1.43	1.53	81400
Clifton	1¾	1¾	1¾	2	3500
Coniagas	4.50	4.15	4.50	4.30	1373
Coniarum	3.30	3.25	3.25	3.25	2252
Col. Kirkland	3	2½	2½	2½	26500
Con. Smelt.	236¾	229½	232	230½	10773
C. W. Dome	16	15	15¾	15¼	51116
Crown Res.	10½	9	10½	9⅛	9120
Duprat	14	11	13½	10	4900
Dupuy	30¼	28½	30¼	28¾	28339
Dome Mines	11.70	10.20	10.30	11.40	17185
Everett	7	6¼	6¼	6½	4500
Fiske	16	15	15	13	1400
Goldale	32½	29½	32	28½	41900
Grover Daley	32½	31	32	31	31200
Gold Hill	68	63½	66½	65	165048
Hill Top	31	30	32	30	45130
Hollinger	19.50	19.30	19.45	19.30	3305
Kirk. Hunt.	12½	12	12½	13	20050
Keora	19½	18½	18½	19¾	14200
Keora Porc.	9¾	8½	8½	9¾	16000
Int. Nick., c.	38	36	37	37	1907
Keeley	1.85	1.68	1.78	1.69	48875
Kirk. Lake	1.15	1.05	1.08	1.09	71530
Lakeside	3½	2½	2½	2	1100
Lake Shore	15.25	12.55	14.35	12.60	25820
La Rose	10½	9½	9½	10½	10000
Lorrain	4½	3¾	4	4	24100
Laval, Que.	24¾	24	24½	24¾	194000
McKinley	14¼	13½	14	14	12500
McIntyre	27.00	25.50	26.90	25.30	7858
Jay, C., per.	74⅞	73½	74½	73¾	29300
Millcrest	7	6	6	6	2500
Mining Corp.	3.99	3.89	3.90	3.97	12020
Noranda	18.75	17.40	18.50	17.40	40914
Newray	33	32	32	32	1500
Nipissing	5.80	5.04	5.70	5.50	6115
Night Hawk	9	7½	7½	8	10050
Mont. Rouyn	17	14	17	13	8500
Peterson Lake	5¾	5½	5¾	5½	35600
Porc. Crown	7½	7	7½	7	6000
Premier Gold	2.15	2.12	2.14	2.15	3200
Preston	6¾	5	6½	7	20500
Siscoe	16	16	16	10	100
Stadacona	43	42	43	42	40400
South Keora	13	10	13	5	2500
Rouyn	3¼	3	3¼	3¼	14000
Rouyn, Que.	2	2	2	2	1000
Teck Hughes	4.30	3.75	4.22	3.89	103622
Tough Oakes	44¾	40	42½	41½	83350
Towagamac	3.60	3.40	3.60	3.50	2340
Don Rouyn	35	30	34¾	32½	10400
Vickers	72	61	72	51	10300
Victory Sil.	4¾	4¼	4¾	5	1640
Vipond Cons.	1.83	1.77	1.80	1.78	53100
Wright Har.	8.90	9.20	9.75	8.25	28045

ANOTHER MANITOBA COPPER PROPERTY FIGURES IN DEAL

Messrs. Collinan and Grace of Toronto Take $300,000 Option on Baker-Patton

THE PAS, Man.—An option roughly estimated at $300,000 on mineral property in Manitoba has just been let to two Toronto men, Messrs. Grace and John Callinan. The property is that known as the Baker-Patton group, on Thompson Lake, near Lake Athapapuskow. It is a well-known sulphide deposit, containing copper, gold and silver, and is similar to the Mandy and Flin Flon properties.

The purchasers have made a large cash payment and have undertaken to do diamond drilling at a cost of $50,000 during the coming year. They have already invited diamond drill contractors to submit bids.

Doubled the Price

The property has been held under $150,000 option for several years by Messrs. Lee, Green and Hacker, of Winnipeg, who have retained a 15 per cent. interest under the terms of the new contract.

The group consists of six claims. It has been well explored and much surface work has been done.

Messrs. Callinan and Hacker, representing both sides of the deal, have just left for the North on the steamer Nipawin, and will inspect the work on these claims and make further arrangements.

Rush Flin Flon Work

Messrs. Duncan and Green, mining engineers, who have been at Denver superintending the experimental work being carried on there with Flin Flon ore, have arrived in town and are engaged in making arrangements to facilitate transportation of machinery, materials and supplies to Flin Flon. A big order for lumber has been given and the boats available will be used to their full capacity for transportation purposes until freeze-up. It is understood that the erection of the pilot smelter is to proceed at the earliest possible date.

VALUABLE DATA IN LATEST REPORT

The Geological Survey of Canada has published the summary report for the year 1924, Part G. This presents the results of investigations carried on by field parties in Eastern Canada during the summer of 1924. It contains a description by T. L. Tanton of the eastern part of the Matawin iron range and by J. E. Gill of that part of the Gunflint iron-bearing formation lying between Gunflint Lake and Silver Mountain station on the Port Arthur, Duluth and Western Railway.

Dr. T. T. Quirke describes the mineral occurrences of an area traversed by the Canadian National and Canadian Pacific Railways some distance north of Key Harbor, and Wyatt Malcolm calls attention to the economic possibilities of the limestones exposed on Abitibi and Mattagami Rivers.

The Clericy and Kinojevis areas immediately to the east of Rouyn in Western Quebec are described by Dr. W. F. James and Dr. J. B. Mawdsley. This report is accompanied by two colored geological maps on a scale of one mile to one inch. Copies of these maps have already been made available to the public. The summary report also contains a geological map of an area south of the Canadian National Railway from Amos east to beyond Bell River. Dr. F. J. Alcock describes the geology of a part of the Shickshock mountains and of Mount Serpentine in Gaspé.

The results of investigations made on the formation of the carboniferous system of the mainland of Nova Scotia south of Northumberland Strait, are presented in considerable detail by Dr. W. A. Bell. Dr. H. V. Ellsworth describes the chemistry of the potash-bearing horizon of the Malagash salt deposit. The zinc-lead-copper sulphide deposit of Stirling, Richmond County, which has attracted much attention in recent years, is described by Dr. L. J. Weeks.

Vipond Will Increase Capital a Half Million

The annual meeting of Vipond Consolidated Mines is called for September 13, next. In addition to regular business, shareholders will be asked to approve and confirm a capital increase approved by the directors on July 20. The by-law gives the board power to increase the company's capital by half a million shares, raising the total from $2,000,000 to $2,500,000.

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The Financial Post's Platform for Canada

Promote national unity.
Reduce taxation; curtail public waste.
Conserve Canadian resources for Canadians.
Develop production and manufacturing to the highest point in Canada.
Settle our vacant lands.
Encourage individual initiative.
Induce and protect investment of capital in Canada.

TORONTO, AUGUST 20, 1926

HISTORY POINTS THE WAY

HISTORY has an answer to every problem and there is a lesson in history for the Canada of to-day.

Canada is now in its sixtieth year as a great united Dominion and as it approaches its diamond jubilee it finds much dissension, dissatisfaction and disunion in its national life. Canada is re-living, in smaller degree, its experiences of the few years prior to Confederation. Parallel upon parallel strikes him who rereads the history of the ten years prior to 1867 and compares it with events in Canada to-day.

Sectional jealousies were all pervading then. They are all too powerful to-day. Transportation problems, product of an expansive geography, were dominant causes of inter-provincial dispute. They are to-day. Trade and commerce was showing fine recovery but, nevertheless, the country was disappointed with the degree of apparent prosperity recorded. The desire of Uncle Sam to live his own commercial life, evidenced by increased tariffs against Canadian goods, depressed many Canadians and induced others to seek homes in the States. The Maritime Provinces particularly suffered from high United States tariffs and debated whether their future lay with the other Canadas, with the United States or alone. In a lesser degree, all this is true of Canada in 1926.

The solution to Canada's problems sixty years ago was found in a broader type of statesmanship than had previously been seen. Men of the most pronounced views modified their ideas for the general good. Cartier, a pronounced advocate of French-Canadian integrity, who had fought for that cause, clasped the hand of the most aggressive enemy of French-Canadian ideas in Canada, George Brown, and forced Confederation. They knew it to be necessary, though they must have known that a popular vote on the question might actually have shown a majority of the people unready for it. Cartier, Brown, Tilley, Tupper and their coworkers were thoroughbreds among statesmen and that is why Canada is Canada to-day.

Surely Canada is not lacking in the ability to breed statesmen of equal calibre to solve the problems of sixty years after. Surely we have leaders to enforce upon our sluggish minds the second Confederation that is needed: a union of Canadian thought to make more effective the union of Canadian peoples that the leaders of '67 gave us.

BUSINESS RE-MAKES EUROPE

BUSINESS men may do for Europe what the politicians failed to do. Evidence appears that economics may effect European solidarity although the effort of diplomats since the war has been to divide it into a group of many small, self-contained fragments.

Signing of the Franco-German commercial treaty, and various smaller similar treaties, forecasts the association of different groups of European business men for the purpose of uniting their business interests. German and French iron, steel and coal monopolists are already contriving to form a workable trust, although the whole effort of the Versailles treaty was to separate these industries in the two countries. The smaller nations are coming to terms on tariff preferences, although again the Versailles treaty sent them all on their way with every inducement to raise tariffs sky high and live, each nation by itself. This was about the equivalent of letting each province of Canada or each state in the United States fix its own tariffs and attempt to play the role of a trade hermit. In Europe, it did not bring universal prosperity any more than it would work out in this country or across the border, where amazing progress has been made because of the vastness of the protected areas that had no tariff interweavings.

Economists and financiers and business men are beginning to build a new Europe and the politicians may have to follow by working out new boundaries, new federations. It will not all be clear sailing for the economist when he opposes the diplomat. Even economics can not easily down race or language when the issue is clearly joined between trade and tongue. And capitalism has to reckon with the laboring classes, since working classes, the world over, are naturally more favorable to national economic freedom than to international, and perhaps monopolistic, combination.

AIDING THE FARMER

CONGRESS of the United States having at its recent session failed to agree to any comprehensive plan for aid to agriculture, the Administration is considering a campaign to exert its influence on bankers, insurance and mortgage loan companies to form a private fund of $100,000,000 to assist the farmers in the extension of the co-operative marketing system to conserve surplus crops. The situation is of interest in Canada because of the rural credits plan considered at Ottawa during last session, which passed parliament in the form of legislation to extend federal aid where the provinces assumed responsibility, but failed to get royal assent because of the crisis which developed.

The plan most favored at the recent session of Congress was for the Government to appropriate a large sum of money to be used for buying up, and gradually selling abroad, the surplus of any one farm production each year. Losses sustained in this operation were to be recouped by a tax on other farm crops. While the proposed legislation was pending Secretary Mellon wrote a letter on the subject to certain members of the House, in which he said:

> "It seems to me that we can advance further in aid to the farmer if we try to work with and not against the teachings of experience.
>
> "A way out of the difficulties lies in the elimination of waste between the producer and consumer, so that the farmer may receive a higher net price and yet the ultimate consumer not have to pay more."

These common-sense observations of a very keen and practical business man might well have the consideration of legislative bodies in Canada as well as in the United States. Any sound plan of agricultural credits will be aimed at aiding the sound, experienced farmer who lacks sufficient capital to make full use of his productive ability, and at reducing the costs of marketing rather than at the juggling of products to get abnormally high prices by creating artificial conditions, or using the public credit to secure loans for those who offer political influence rather than reasonable security.

A HOPEFUL PORTENT

THE recent purchase of the island of Anticosti by **Wayagamack,** Port Alfred and St. Maurice—three of our largest paper companies—means more than the mere expansion of the newsprint industry. It means a more definite link-up in what is sometimes termed the "Holt" group of newsprint producers. There are two other large groups of newsprint companies, namely Spanish-Abitibi and the projects of the International Paper Company.

Thus, while the management and financial backing of Wayagamack are in no way changed, yet the closer association of the three companies indicates that Wayagamack would also combine in other matters affecting the welfare of this group as a whole.

While there are still large companies, such as Laurentide and St. Lawrence Paper Mills, unassociated with any of these larger groups, yet for the future of the industry generally, and for the future benefits which the country as a whole will receive from the development of pulpwood, the ultimate effect of mergers or associations such as this must prove beneficial.

Should the industry ever enter a period when it would be necessary to reduce production slightly, this could be accomplished the more easily simply through the mere existence of the "big three" groups in the Canadian industry. Moreover, such combinations should preclude the possibility of price cutting and other dangers which might ensue—ensue not only to the industry, but, what is more important, to the country as a whole. For in the general level of the business of the Dominion, the newsprint industry plays no minor part and its ramifications, like these of agriculture, stand out as a predominant pattern in the very warp and woof of the texture upon which Canadian business is founded.

All in all, it can be said that the tendency of the industry towards a few large strong groups will work out well for the investor, for the industry, and for the Dominion.

ADVERTISING "A LUXURY?"

ONE wonders how serious was A. O. Dawson, leading textile manufacturer, in his address in Montreal when he "flayed," as the headline writers had it, luxury in its manifold forms. Mr. Dawson is credited with having made out an able case to the effect that the world to-day is running into the same kind of trouble that weakened the empires of the past. As the newspaper reports have it:

> "Leading his audience back through history to the affluent empires of Rome and Egypt, Mr. Dawson showed that all had crumbled into dust because of the economic results of luxury and extravagance. To-day, he claimed, it is the same cancer that is gnawing at the vitals of civilization."

Knowing Mr. Dawson's own modest habits and the strict and economical handling of investor's funds in the operation of the three companies he heads, one is inclined to accept his address as entirely serious. But even some of the products of Belding Corticelli and of Canadian Cottons would come within the luxury class—if luxuries could be defined—and, if the products of Canadian Woollens do not come within that class, it is probably because Canadian woollen mills must, because of limited markets, specialize on the cheaper rather than the fancy grades of woollen cloths.

Does Mr. Dawson exempt his companies from the classification of "manufacturers of specialties who put wealth and effort into producing non-essential goods to the detriment of the world's store of basic necessities."

"Advertising, with its creation of false wants, also received the speaker's strongest criticism," we are told by the press reports. We agree with Mr. Dawson that there is much waste in advertising; too much money spent in false media; spent for "support"; or spent without careful direction and efficient use of the white space bought. But Mr. Dawson goes at advertising " 'olesale."

Well directed advertising as a force in modern merchandising hardly needs defense. Advertising, not as a luxury, but as a means of reducing the costs of distribution and therefore as a means of economy, has almost universal recognition.

At least, Mr. Dawson, if he is speaking for the cotton textile and woollen cloth industries of Canada is consistent. Outside of a very few companies, the cotton textile manufacturers of Canada spend practically nothing on advertising. As a result, Canadian merchants and Canadian women are not convinced that Canadian mills can give them the newest patterns and the best goods. And cotton is struggling to hold its own against newer and better advertised materials.

Wider advertising for the cotton and woollen cloth mills of Canada might not be a luxury at all. It might be the road to greater production and thus to greater economies.

EDITORIAL NOTES

THE U.S.A. might be willing to keep Suzanne and wipe off the debt.

* * *

AS A public speaking team, Robb and Dunning remind one of bread and jam.

* * *

THE CHANNEL Tunnel Company reports another deficit and there'll be more if Miss Ederle's habit is unduly followed.

* * *

W. B. LANIGAN, general freight traffic manager of the C.P.R., who is retiring, did not have to bask in the glory of his famous brother, George T. He made his own reputation.

* * *

CANADIANS who have stirred up things in other countries:

Max Aitken.
Eddie Peacock.
Jack Delaney.
Aimee McPherson.

* * *

BREAD companies now run their wagons over country routes, giving the farmer's wife a chance for a loaf.

* * *

THE STRUGGLE is on between the civic service commission method of choosing public servants and the patronage system. Hon. C. A. Dunning thinks civil service control by an independent permanent commission has gone too far, and in Regina said: "I had all the responsibility of a minister, but very little authority. I could not appoint a stenographer or a bookkeeper, but I was responsible for them."

Fifteen Years Ago

Extracts from Files of The Financial Post.

Greenshields & Co., open office in Paris.

Montreal Cottons, Ltd., formed to slice melon.

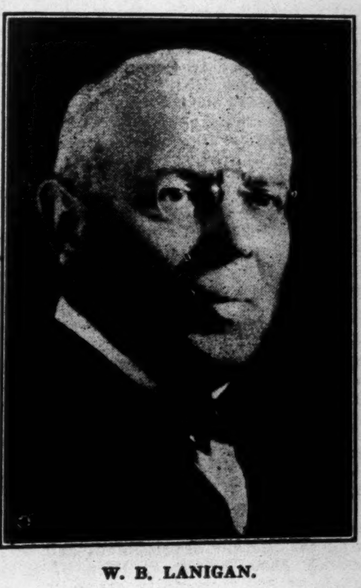
Russell Motor has exclusive rights in Canada for Knight engine.

Canadian Northern promises to erect largest dock on Pacific Coast at Vancouver.

City of Winnipeg and American Syndicate both discuss purchase of Winnipeg Electric Railway.

W. B. Lanigan Knows Freight Schedules From Cover to Cover

Brother of Famous George T. Lanigan is Combination of Litterateur, Freight Rates Expert and Jolly Good Fellow



W. B. LANIGAN.

EVERY man who has tried to get a reduced freight rate for his town, province, association or commodity knows W. B. Lanigan. Nominally general freight traffic manager of the Canadian Pacific Railway, he has been in actual practice their "rates expert" and has prepared hundreds of cases and briefs for presentation to the Board of Railway Commissioners in defence of various freight rate schedules or pleading for rate adjustments—upward—here or there or everywhere. He knows Canadian railway rates as no other man knows them. Yet one would never know, to look at him, that he was a combination of statistical hound and prosecuting attorney. He is a genial fellow, a good mixer, as jolly as he is keen and as sympathetic as he is tenacious.

Now he is retiring from the C.P.R. and is going, the reports tell us, to move to Victoria where he can play golf and grow roses. But the C.P.R. does not intend to give him up entirely, for it appears that "although relieved from active official duties, Mr. Lanigan will be retained in the company's service in order that his long experience in traffic matters may be available in connection with inquiries before the board of railway commissioners."

Brother of Famous George T.

There are a good many people who have heard of W. B. Lanigan and who know something too of his brilliant brother, George T. Lanigan, but who never connected the two nor considered them as of the same family. George T. was one of the cleverest journalists ever turned out by Canada. After serving his apprenticeship in Montreal, he went to New York and shone in the galaxy of Park Row a quarter century ago. Strangely, he is remembered best for a thoroughly impromptu work dashed off in a few minutes. He was in the office of the New York World one night when word came over the wires that the "Ahkoond of Swat is Dead." The alliterative suggestiveness of the message intrigued Lanigan and he turned out for the next edition the funeral elegy of the Ahkoond of Swat, which has gone around the world and has been bobbing up in newspapers every few months. It has probably been more quoted in that connection than any other poem except "Casey at the Bat." In dirge-like metre, that suggests Tennyson's ode written for the funeral of the Duke of Wellington, Lanigan's poem rings the changes on the message until it would seem that not another rhyme or poetical quip could be wrung from the words.

W. B., it appears, has literary gifts of his own, which added to his bright wit and gift of repartee have made him a welcome guest wherever he goes.

Brought Up in Old Quebec

Born in Three Rivers, Quebec, of Irish-Canadian parentage in 1861, he tells of playing with his chum, now the Hon. Jacques Bureau, and of going to school at the age of fifteen to learn English. He attended the Protestant Academy and St. Joseph College at Three Rivers and also went to Stanstead College, Stanstead, Que.

He entered the service of the Canadian Pacific Railway in September, 1884, as a night operator at Sharbot Lake, Ont., and the following year was appointed agent on the Ontario and Quebec Division. After holding this position for several years at various points, he was promoted traveling freight agent at Toronto, in 1891, and assistant general freight agent at Winnipeg and in 1908 was appointed assistant freight traffic manager for western lines. In 1918 he became freight traffic manager with headquarters at Montreal, and in 1922 was promoted general freight traffic manager of the C.P.R.

New Manager of Abitibi Once Drove Mail Through Bush by Dog Train

R. A. McInnes has resigned as manager of the mill of the Abitibi Power and Paper Co., at Iroquois Falls, and his successor has been appointed in J. E. Patterson, who has risen since 1913 from a subordinate clerical position and has recently been general superintendent. In making the announcement, L. R. Wilson, vice-president and managing director, says:

> Mr. McInnis first joined the company in 1914 at the Montreal office and when the necessity for a mill manager arose in 1917, with the idea of not going outside of the organization, Mr. McInnis was given that position.
>
> Many of the present organization were here at that time and they fully realized the difficult problems to be overcome, but they were overcome; and an organization built up that is second to none in the industry to-day, and it is largely due to his initiative, ability and work that the present results have been obtained. It is only natural that these should be recognized elsewhere as well, and that an offer be made to him that he could not, in justice to himself refuse; but in severing his connection with the Abitibi I can confidently say that he is taking with him the very best wishes for his future success of the entire organization, the directors and officers of the company.
>
> While at his request he is being relieved of his more exacting duties at once, he has kindly consented to spend a part of the next couple of months here where his advice and experience can be taken advantage of.
>
> In keeping with the policy of the company in not going outside of the organization, I am pleased to say we have one fully qualified to carry on the work. This is J. E. Patterson, who is this day appointed mill manager.

Discussing the change in executives "The Broke Hustler" says:

> Mr. McInnis has been much more than simply manager of the mill. That he was an efficient manager, the success of the mill and the reputation for efficiency that the Abitibi Company bears in Canada, the United States and Europe is sufficient proof. That he was more than manager is proven by the fact that every man in the mill and town feels that he has lost a personal friend and while they are pleased that Mr. McInnis has in his new field a greater opportunity yet they regret keenly the loss of his personality in this district. It is not only the people of the town and employees of the mill who feel this loss, but it is felt throughout the whole of the district of Temiskaming.

Had Bold Initiative

Mr. McInnis' term as manager of the mill was necessarily one of change and re-organization. The early years of the company with the struggle to get on a commercial basis formed a period by themselves. Mr. McInnis came in as manager when the curtain had rung down on the first act. It was his duty to take the organization which had been successful in starting the enterprise and put it into shape for the keen competition which all companies have to face. He started in one department at a time studying the situation thoroughly until each department was thoroughly efficient in itself and working harmoniously with all others. The present very high efficiency of the mill is due in great part to the ground work which he laid down.

The first problem that faced him was to get a definite system of information both as regards operation and engineering. No progress could be made without this. He organized this and put it into operation. The standardization of the mill from an engineering point of view was the next step. Then came a big move forward in taking the operators into his confidence and inviting suggestions and getting their hearty cooperation. Another step along the same lines was the establishment of a Research and Control department to work hand in hand with the operating end of the mill. It was a bold thought and required courage to put into force, but it meant that in the operation of the mill the company would know exactly what was happening all the way through, would know it definitely and not have to guess at it. The copying of these plans by other mills is the surest proof of their soundness and success.

Drove a Dog Train

The new manager, J. E. Patterson, did not rise through any favoritism on the part of the officers or directors of the company. By hard and insistent plugging on his job he gradually acquired a thorough knowledge of the operations of the plant. By spending a great deal of his spare time following what other companies had done and were doing he developed a very broad viewpoint on all phases of the industry. It is a long cry from the days in 1913 when he first started for the company driving the mail by dog train over the bush trail from Porquis Junction to the present position of manager of one of the largest newsprint mills in the world.

American Politician Suggests Reciprocity

The Boston Globe.

Col. William A. Gaston, candidate for the Democratic nomination for Governor of Massachusetts, has issued the following statement in regard to reciprocity between the United States and Canada:

> "I am asked for my opinion on the matter of Canadian trade relations.
>
> "The most important question before every family is that of earning a living. It is not being an alarmist to say that the present business situation in Canada and Massachusetts is far from satisfactory. Industrially, each country would be better off if it had the help of the other. We are substantially the same kind of people, with a common language and with many similar problems.
>
> "Canada has its own acute political problems—so have we. The question of allegiance to the English flag does not come into the question at all. I would as soon think of asking my neighbor to give up his allegiance to the United States, as to ask a Canadian to abandon his flag. It is his business solely. I meet Canadians frequently, talk and do business with them satisfactorily. We part with mutual respect. The matter of political allegiance is never even thought of.
>
> "The question of the settlement of the pressing business relations between these two friendly peoples is so necessary and obvious that it is certain to come. The pushing in of matters which are outside the immediate problem, at this time, may delay indefinitely the settlement of real matter of immediate importance.
>
> "During my life I have found that whenever there are real obstacles in the way of business, the only way to meet them is for the interested parties to get together and try to eliminate them. This matter of Canada and New England is a matter which strikes home to every family in both countries. All will be made happier and life easier, by a common sense decision. It is above politics and persons. The place to begin is here at home, and the time is now, to make some reciprocal arrangement with Canada of vast business advantage to us both."

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ASSETS—Total Net Assets $3,404,882.64
or, after making provision for first mortgage gold bonds 2,424,882.64
Which is $161 for each share of Preference Stock.

EARNINGS—After providing for bond interest, depreciation and Government taxes:
10½-year average, from January 1st, 1916.........$246,257.00
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YEAR ENDING DECEMBER 31st, 1925 ....291,428.28
(2.77 times preference dividend requirement and at the rate of $3.72 per share on the common stock)
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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Penman's or Pacific Burt

E. E., Alberta. — Would you advise switching, should Penman's reach 200, to Pacific Burt?

Penman's and Pacific Burt, both being well organized and well managed companies, we would hesitate to suggest a switch from the former to the latter, particularly as you stipulate "when the former reaches 200." If it does, Pacific Burt at that time may be considerably above its present price. In any event a decision should be dictated largely by the conditions and prospects in the textile industry in Canada as compared with the market for the products of the Pacific Burt Company in the far western states.

Exchange of Bonds

Banker, Ontario.—We are enclosing a letter written to a man in this village suggesting a change of bonds for C.N.R. income charge debentures. Would like your opinion of the exchange.

Your letter does not state what bonds are offered in exchange for the Canadian National Railways income charge debentures. However, we presume that it is the 4½ per cent. debenture stock of the Toronto Suburban Railway, part of the Canadian National Railways system.

The difficulty in sizing up such an exchange as this, and reporting favorably, or unfavorably, upon it, is that the future of both securities is an unknown quantity. Canadian National Railways has given no indication of its likely course in regard to either the income charge debentures, or the debentures of the Toronto Suburban Railway.

Our opinion is that the security for the income charge debentures is broader than that for the Toronto Suburban debentures. It would seem that it would be more embarrassing for Canadian National Railways to default on the income charge debenture principal payment in 1930 than to give up the Toronto Suburban Railway line to the bondholders entirely. If this were the case, the income charge debentures might be the better speculation of the two and the better security to hang on to. But this is purely a guess, as each security has the seed of trouble in it, and a present high yield.

Manufacturers' Finance

Inquirer, Galt.—Will you kindly give me your opinion on the guaranteed investment receipts issued by the Manufacturers' Finance Corporation of Toronto? Do you consider them a sound investment?

The security behind the guaranteed investment receipts issued by the Manufacturers' Finance Corporation, Ltd., Toronto, consists of commercial paper, in other words notes signed by purchasers of merchandise. Generally speaking, this type of financing has proven sound and successful but there are those who doubt the stability of the instalment plan should it result in a condition of inflation, to be succeeded by a period of deflation. A great deal depends on the management of these companies in relation to the credits advanced and the basic security. In this respect the directors of Manufacturers' Finance Corporation may be regarded as men of good business judgment who should exercise reasonable care in the conduct of the corporation's affairs.

We are not just sure what you mean by the expression "sound investment," but we would rather describe the investment receipts of the Manufacturers' Finance Corporation as a fair business man's investment.

The Paper Stocks

McMillan. — What are the prospects for the paper stocks—particularly Price, Spanish and Abitibi?

For a long hold, the shares of the newsprint companies look excellent. Price, Spanish and Abitibi are all good companies operated under excellent management. When all is said and done, the newsprint industry is a fundamental and basic industry in the Dominion of Canada. Therefore, in choosing three companies which are ably managed, you are wise, for, if you are speculating, you are sure of obtaining the best run for your money, and, if you are investing for a long hold, you can be sure that these companies will prosper with the industry as a whole.

Ford of Canada

L. P., Bridgewater. — Please let me have your opinion on Ford of Canada shares. I want to determine as far as possible if it is a good hold at present levels. The shares I have in mind were bought under $400.

It is hardly necessary here to go into the amazing development of the Ford automobile enterprises. The Canadian company controls the output for the Canadian and British markets. Good management and an efficient organization are producing an automobile to give dollar-for-dollar service which is still pre-eminent in a highly competitive field. There may be some question, however, as to what the future holds for the company in view of the increasing popularity of other low priced cars. The Ford output has continued to increase, but, particularly in the United States, General Motors and some of the other manufacturers have been expanding their outputs even more rapidly. There have been conjectures as to whether Ford will meet this competition by changing his standard car, and also whether Ford may not also enter the market with a cheap six-cylinder car. Ford is also watching closely developments in the field for light commercial cars, tractors, etc., and a recent announcement has indicated experiments with aeroplanes.

We do not think there is any question of the continued success of the Ford Company, particularly in Canada, where there will always be a big demand of cheap efficient automobiles, but from the standpoint of the stock market there would seem to be considerable speculation as to the future value of the shares where that value may depend to a large extent upon continued rapid expansion. The fluctuations in the market may be appreciated from the fact that in February shares sold at over 600 and in April around 500. If you have any large proportion of your assets invested in these shares, we think you might be well advised to realize on a portion of them.

Northwestern Utilities

E. M. J., Montreal.—Would you please favor me with your opinion on Northwestern Utilities, Ltd.? I believe the company controls gas works, etc., around Edmonton.

Northwestern Utilities, Ltd., operates under an exclusive 20 year renewable franchise to supply natural gas to the City of Edmonton for domestic and heating purposes at favorable rates. These rates are fixed by the board of public utility commissioners of the Province of Alberta, based on a 10 per cent. net return after deducting sinking and depletion funds and operating expenses. Favorable franchises are also held for supplying gas to the residents of five towns on the main transmission lines between the field and Edmonton. The field is near Viking, about 80 miles south-east of Edmonton, and covers a proven area of 27 square miles. Leases in this reserve and extending for a period of 21 years and which are renewable for similar periods in perpetuity have been invested in the company by assignments duly registered with the Department of the Interior. It is estimated that the reserve contains not less than 60,000,000,000 cubic feet of gas. There is a further extensive area which in the opinion of engineers contains as much gas as now known to be contained in the proven area.

The entire capital stock of Northwestern Utilities is held by Canadian Utilities Ltd., which in turn is controlled by International Utilities Corporation with Head Office in New York. The directors are: H. B. Pearson, pres., Calgary; A. E. Cross, vice-President, Calgary; Sir Clifford Sifton, Harry A. Sifton, J. R. L. Starr, Toronto; P. I. Mellon, H. S. Tims, John Burns, and J. W. Davidson, Calgary. Both International Utilities and Northwestern Utilities are assured of sound financial direction and efficient management. The president and general manager of Northwestern Utilities is C. J. Yorath who has a high reputation in the management of public undertakings.

Asbestos Corporation

Amherst, N.S. — Would you please oblige me with a report on the Asbestos Corporation advising me how you would regard an investment in its bonds, preferred and common shares?

First and foremost remember that the Asbestos Corporation is a mining company which sells its output in a world market. Thus, the earnings will reflect the general trend of the market for the raw mineral. One result of the merger of some of the asbestos companies in Quebec is seen in the present increased prices for the mineral.

Again, it experiences the usual hazards of mining—but not, of course, to the degree experienced by precious metal mines.

However, the first mortgage bonds, of which there are $3,000,000 outstanding, are gilt edged. They change hands at around 101½ and pay 6 per cent. This price indicates the tremendous equity behind this issue which is followed by a general mortgage issue of 6 per cent. bonds of which there are $4,800,000 outstanding. The latter change hands at around 85.

The general mortgage bonds are not in the same class with the first mortgage bonds, but at the same time they look attractive for one who seeks good security coupled with a higher yield. The preferred shares change hands at around 70 and pay 7 per cent. A yield of 10 per cent. From the price you will see that the preferred stock is speculative. The corporation has declared an initial dividend on the preferred and the prevailing opinion appears to be that such dividend payments will be continued, but you must not forget that the preferred is cumulative and that there is no definite assurance as yet that the second quarterly dividends will be paid. However, earnings during the first quarter were sufficient to meet the preferred dividend requirements and we believe that the level of earnings has not been reduced, but probably increased since that date.

The common stock is speculative. It looks attractive only for a hold. The market price at which the preferred changes hands indicates that it is relatively speculative. The corporation has made no announcement which would indicate to investors by what margin it is earning its preferred dividend and thus it is next to impossible to say whether the present market for the common is either high or low.

Anticosti Corporation

Reader, Quebec.—Will you please let me know if you consider the Anticosti Corporation, 15-year, first mortgage, 6½ per cent. sinking fund gold bonds a good investment and advisable for a party owning already $46,000 Dominion of Cánada bonds, to purchase?

We consider the bonds of the Anticosti Corporation a very well protected and attractive issue at the price at which they are offered. The joint and several guarantee of three of Canada's largest pulp and paper companies to purchase enough pulpwood to ensure payment of operating charges, bond interest, and preferred stock and dividends, together with a margin in addition, is, we think, a satisfactory guarantee of interest payment apart from the ample assets of pulpwood ensuring the repayment of the principal.

Current Comments

SIR CLIFFORD'S SON

Edmonton Journal: The taste for politics is not hereditary in Canada to the same extent as it is in the old land. We have had few instances of the sons of outstanding public men who have taken up and made a success of political careers. Because this is so, the nomination of Harry Sifton, the son of Sir Clifford, by the Liberals of North York has unusual interest. He has been speaking at different gatherings in Ontario and it was expected that he would be a candidate somewhere. If he should succeed in winning the constituency for which he has been chosen, he would enter parliament with much prestige.

THE MARITIMES

Brantford Expositor: The general election is over-shadowing the Maritime commission, which is endeavoring to locate the causes of the dissatisfaction in the provinces by the sea. Just so the recent good crops in the West, coupled with the continued good price for Canadian wheat, have silenced much of the complaint coming from the prairies. But times of depression are the opportunity of the man who fails to secure an adequate reward for his labor and risks. Few of us but what would groan when the shoe pinches. In the Maritimes, however, the commission can throw some light on the market question. For example, if British Columbia and Oregon can profitably ship apples to Brantford, why cannot the Annapolis Valley, which has the advantage of a shorter haul? Why do the Maritimes import eggs which could well be produced on their own fertile lands? Why do Canadians prefer Norwegian sardines to those produced in Canada? The answers to these questions might aid the Maritimes to regain the proud position they once held.

OUR CABINET SYSTEM

Stratford Beacon-Herald: The Financial Post regrets that such men as J. H. Fortier, Hume Cronyn, Hon. John S. Martin and Sir Joseph Flavelle, are not in the Meighen Cabinet, but reasons that Mr. Meighen had to abide by the limitations that are placed on a premier in Canada by the cabinet system called for in our constitution.

The point is well taken. The cabinet is part and parcel of the political system; it is all caught up in the very real business of winning elections, and the members of the cabinet must face that question "Can he be re-elected?"

When the coming elections are over, no matter which side wins, there will be the business of cabinet reconstruction.

If the side with the greatest number of members has not elected a man with excellent financial training, then it will be necessary to take the best material available.

If there is not a good business executive, with a knowledge of world markets and world trade, then it will be necessary to put the most likely looking man available in charge of the department of trade and commerce.

The United States system is more flexible and more reasonable. If it is thought desirable to select the best man in the country to lead the finance department—and such a selection should be made—the president of the United States can go and get him and put him in his cabinet, and he does not have to worry about his ability to be elected.

There is a weakness in our system in this point, and the country's business suffers in consequence. The prime minister is hedged about so that he has no chance to step aside from political considerations and pick a man because he can administer a certain department better than any one else.

John W. McLeod, who has been made a director of the Acadia Trust Co., is one of the younger outstanding business men of Nova Scotia and has made his success by development of the natural resources of this province. He is president of the Greenwood Coal Co., and also has large interests in other industries in Nova Scotia.

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POST-Scripts

WHEN the statement was made that light wave measuring devices, capable of measuring one-millionth of an inch, were used in checking precision instruments at the plant of a automobile company, someone wrote to inquire just what one-millionth of an inch meant. The answer sent is illuminating:

"Suppose a steel bar, one-half inch in diameter, were clamped rigidly in a vise with one end projecting out a foot from the vise. Then suppose, further, that a fly, a common house fly, were to alight on the very tip of this projecting steel bar. Under the weight of the fly the steel bar would sag approximately one-millionth of an inch."

A GOOD story is often spoiled by too close inquiry as to the facts of the situation, as Canadians will appreciate from the following yarn recounted by the Wall Street Journal for the entertainment of thirsty Americans:

Two Wall Street gentlemen, tired of the din and gin of the city, decided to seek the restful spirit of Canada on their annual vacation. They set forth in a car of staunch utility, and reached the border at dusk.

After their long ride they might be pardoned for being thirsty and also for stopping at the first tavern beyond the line to satisfy that thirst. The tavern was ramshackle and old, but it was inhabited, so they went in. Inside the dingy bar room they found a mustached Swede who asked what they would have.

"Manhattan cocktail!" bellowed he of the greater thirst.

"Make it two!" echoed the other.

The Swede looked embarrassed.

Then he grinned genially and deprecatingly suggested, "Gentlemans, please have something simple. I'm de cook."

"DOWN to the sea in ships" went the whalers in the olden days, but they still do so on both the Newfoundland and the British Columbia coasts. Whaling is not dead as a commercial proposition. It has advanced some in science but, in the main, the old time whaling ways remain the best.

There is the flavor of romance to this item from the Vancouver Province:

Whalers who have been much alarmed of late years over the small size of their catches off Vancouver Island, are reassured by the large increase in whales this season. So far this year vessels of the Consolidated Whaling Corporation have caught 182 whales, according to reports received by the headquarters office of the organization at Victoria.

"This is a large increase over the catch of last year and is all the more significant in that only five vessels are operating now as against seven in the 1925 season.

"Good weather, with little fog, is aiding the whaling operations greatly. These conditions are in marked contrast to those of other recent years, when whaling was seriously hampered by continual unfavorable weather. Following the crash of the airplane which was to have been used to sight whales at a distance, the mammal hunters are operating in the usual way with surface craft."

READING an item in an American paper to the effect that alleged "spies" of one large sheet and tube firm have been enjoined from seeking employment with a competitive rolling mill company, is productive of some reminiscence. Sending workmen out to spy on the other fellow's methods used to be common practice but getting together with your competitor at a big convention or through the business press to "swap" pointers is more in accord with modern practice.

But spying is not entirely missing from the present scheme of things in industry. A member of the staff of The Financial Post was talking with the executive of one large Canadian company the other day and the executive began to compare his company with his chief competitor. He seemed to know so much about what the competitor was doing that he was asked where he got all his information. Somewhat nettled at having his authority questioned even so mildly he delved into his files and produced a most complete report signed with only the number of an operator at a private detective agency. The detective, if all that he said in the report was true, had evidently found pretext to talk to the employment manager, the shipping clerk, the book-keeper, the mill superintendent and several of the workmen at the competitor's plant as well as the local railway freight agent and the carters of the town. And without showing his hand, he had gleaned enough to piece together an amazingly comprehensive picture of the business at the factory.

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*†Govt. of Argentine (External) 6's	1958	99.50	6.03
*†Imperial Japanese Govt. (External) 4's	1931	89.75	6.05
*†Republic of Haiti (External) 6's (U.S.A. Customs Administration)	1953	97.50	6.20
Province of Ontario 5's	1948	101.75	4.87
†City of Montreal 5's	1943	102.00	4.83
Canadian Pacific Rly. Co. 4½'s	1944	94.00	5.00
†Duke Price Power Co. Ltd. 6's	1966	103.25	5.80
*†Montreal Tramway Co. 5's	1941	98.00	5.83
†Gatineau Power Co. Debentures 6's	1941	99.50	6.05
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150

McColl Brothers' Issue Has Convertible Feature

The rise of the motor car has brought oil refining to an important position in Canadian industry, necessitating the expansion of old established companies. One of these is McColl Brothers, refiners, of Toronto, which has been established since 1873 and which has grown in recent years to be the third most important oil refining company in Canada. Recent developments, including the construction of a new refinery, the purchase of an oil tank boat and the construction of service stations, have been responsible for bringing this company into the investment market for the first time. It is now marketing an issue of a million dollars of 7 per cent. preferred stock through the McLeod, Young, Weir and Company and R. A. Daly and Company, of Toronto. Common stock is also being offered to the purchasers of the preferred shares and this common stock, on listing this week, showed a healthy advance.

The preferred is being offered at par without a bonus of common stock. However there are no bonds ahead of the preferred and the issue is therefore a first charge on the assets. The common stock rights at the present market price of the common represent a sizeable bonus, as the common can be obtained at $18, well under the market price attained since listing on Monday.

An interesting conversion privilege is offered, which, it is believed by those behind the company, will eventually convert the entire issue of preferred stock into common stock. Up to September 1, 1931, holders of the preferred stock will have the privilege of converting their shares into common stock, receiving three shares of common stock for each share of preferred stock held.

$1,000,000

McColl Brothers Ltd., 7 per cent. sinking fund cumulative convertible preferred stock.

Business—Company operates oil refinery in Toronto, branches in eight provinces and sells Red Indian Motor Oil and Marathon Gasoline.

Assets—Net tangible assets at June 30, 1926, were $2,640,417.

Earnings—For 1926, were $202,414 on preferred stock and for the first half of 1926, $155,693.

Sinking Fund—Commencing May, 1927, 2 per cent. of outstanding preferred stock.

Conversion Rights up to September 1, 1931, holders of preferred may convert into common, three for one.

Capitalization—

	Authorized	Issued
7% preferred	$1,000,000	$1,000,000
Common no par value	150,000 shs.	90,000 shs.

Offered—August, 1926, by McLeod, Young, Weir & Co., Metropolitan Building; R. A. Daly & Co, Bank of Toronto Bldg.; and Matthews & Co., 255 Bay St., Toronto, and Newman, Sweezey & Company, 136 Saint James Street, and Hanson Bros., 180 St. James St., Montreal. Price par. Subscribers given right to buy one share of common at $18 for each share of preferred.

Future of Franc Bonds is Decidedly Indefinite

A viewpoint on French internal bonds is given by the Wall Street Journal, which replied to a correspondent as follows:

"It is impossible to advise you what to do regarding your holdings of French bonds. The French situation is chaotic, but it is hard to feel that the problem will not be worked out without disaster. The French agreement with Great Britain on Franco-British obligations is encouraging, so far as it goes. It remains to be seen how the French parliament will deal with the American debt agreement. Your holdings of French bonds are not large in comparison with your resources, so that there seems no outstanding reason for liquidating them unless you are convinced that the outlook is hopeless. Opinions, of course, vary.

Mitchell Preferred Shares Being Sold

MONTREAL.—The investment house of Williams, Partridge and Hodgson is making an offering of preferred shares of the J. S. Mitchell and Company.

The company first began operations in 1876 and to-day its activities include the wholesale and retail distribution of mill, railway, corporation, mining, plumbers', blacksmiths' and contractors' supplies, coal and general hardware to the prosperous Eastern Townships section of the province of Quebec. The company also does a big business in explosives and explosive supplies, which are sold to the asbestos mines in that territory.

The preferred shares are redeemable, in whole or in part, at 110 and are preferred both as to assets and as to dividends; in addition, the charter of the company provides that 10 per cent. of the net earnings each year available to the common shares shall be used as a sinking fund for the requirements of the preferred stock.

$600,000

J. S. Mitchell and Co. Limited,

7 per cent., cumulative, sinking fund, voting preferred stock.

The Company: Wholesalers and retailers in the Eastern Townships of Quebec. Selling supplies to contractors, corporations, mills, mines, railways, plumbers and the hardware trade.

Value—Total net current assets exceed the amount of the preferred shares. Preferred stock has a book value of $157.50 per share.

Earnings—During the past eight years the business has disbursed in dividends an amount exceeding the dividend requirements of the present issue. Earnings over the past five years have averaged over 2⅓ times the preferred dividend requirements of the present issue.

Sinking Fund—Ten per cent. of the earnings applicable to the common stock each year will be set aside for the redemption of the stock.

Capitalization—

	Authorized	Issued
7% Cumulative, Voting, Redeemable, Preferred Shares	$1,000,000 shares	$600,000 shares
Com. Shares (No par val.)	15,000	15,000

Offered—At par plus four shares of common stock with ten shares of preferred; fractional common adjusted at $25. By Williams, Partridge and Hodgson, in August, 1926.

Roman Catholic Securities Offered by Quebec House

From Our Own Correspondent.

MONTREAL.—The investment house of Bray, Caron and Dube is making a public offering at par of the four following issues:

$205,000, 5½ per cent., serial bonds of the Hospital of the Child Jesus, Quebec.

$58,700, 5 per cent., serial bonds of the Order of the Sisters of Charity, Quebec, (Hospital of the Sacred Heart, Plessisville.)

$10,000, 5½ per cent., serial bonds of the Diocese of Antigonish.

$5,000 School Commissioners of Gimmer parish, 5¼ per cent. serial bonds.

Deposits of Trust and Loan Companies Increase

Increases in deposits for both the loan companies and the trust companies operating under Ontario charters are indicated for the quarter ending June as compared with the quarter ending March. Investments of the loan companies in government bonds show a decline, and investments in municipal debentures are greater.

The total funds of the trust companies show an increase of nearly $6,000,000. Holdings of municipal debentures and mortgages have largely absorbed the larger amount of funds available.

LOAN COMPANIES

	Quarter June, 1926	Previous Quarter
Total deposits	$46,301,245	$45,043,425
Cash	3,403,094	3,940,901
Government bonds	16,674,905	17,002,223
Municipal debs.	5,730,621	5,334,094
Demand loans	1,208,919	1,224,632
Liquid securities	27,017,541	27,501,851
Per cent. of liquid secs. to deposits	58.35	61.06

TRUST COMPANIES

	Quarter June, 1926	Previous Quarter
Trust deposits	$16,401,187	$13,835,074
Spec. guar. inv.	18,378,975	18,458,984
Gen. guar. inv.	31,575,150	28,150,232
Total funds	66,350,262	60,444,292
Accrued int.	135,214	119,748
Cash	1,693,894	1,809,193
Can. bonds and secs.	4,891,959	4,740,276
Municipal debs.	6,387,910	5,769,090
Sch. and tel. debs.	251,581	254,902
Mortgages	40,603,649	35,972,312
Demand loans	1,909,352	2,032,334
Trustee invest.	55,738,356	50,578,110
Interest due	813,577	749,793
Sec. not author. as trustee inv.	9,949,238	9,242,263
Total invest.	66,501,162	60,570,168

News of the Investment Market

MOST BONDS NOW CAN BE BOUGHT IN $100 UNITS

Rise of Baby Bond Features Recent Corporation Finance

Review of the bond issues made during the current year indicates a growing tendency to issue bonds in denomination of $100. These are called "baby bonds" in some circles. They have a tendency to bring into the field of corporation bond investment many small investors who might otherwise restrict their purchase to Victory bonds or to stocks.

A few years ago the number of bonds of $100 denomination available to the Canadian investor was very small and the bond houses were disinclined to go after the business of smaller investors, feeling that the margin of profit was too meagre to make the effort worth while. This was, however, before corporation bonds rose to their present position of prominence among ordinary investors. But the growing interest in corporation issues among investors, who can no longer get high yields from government and municipal securities, has made it profitable to cover a wider field and serve small as well as large investors. In fact competition for capital has made a thorough covering of the field necessary.

Role of Baby Bonds

In this movement to bring the money of the small investor into the realm of practical corporation finance, the $100 bond plays a big role. Some investment houses now make it a rule to have $100 bonds in every issue of securities they bring out. One house sells about ten per cent. of each new issue in bonds of $100 denominations and this house is one that has been particularly successful in building a satisfied clientele that sticks with it, and in building up an able group of producing bond salesmen.

Survey of issues made this year reveals that a very large proportion of the major bond issues of 1926 have offered the smaller investor a chance to participate.

$100 Bonds This Year

The following table gives the denominations of the corporation bonds offered for sale during the present year. Most of the Canadian issues for the year to date have been included. The data for the first six months of the year was taken from The Financial Post's Record of Prospectuses:

Rate	Issue	Due	Denominations
7%	—Deer Park Manor	1940	100; 500; 1,000
6½%	—Port Alfred Pulp and Paper	1943	500; 1,000
7%	—York Adelaide Realty Co.	1945	500; 1,000
7%	—Rheinelbe Union	1946	1,000
6½%	—Chomeldy Apartments	1941	500; 1,000
5½%	—Manitoba Power Company	1951	100; 500; 1,000
7%	—Bloor-St. George Realty	1946	100; 500; 1,000
6%	—St. Lawrence Paper Mills	1946	100; 500; 1,000
7%	—Mountain View Apartments	1946	100; 500; 1,000
6½%	—Manitoba Paper Company	Series	500; 1,000
5½%	—National Debenture Corporation	1946	100; 500; 1,000
6½%	—Canada Biscuit Company	1946	500; 1,000
6%	—Fort William Paper Company	1946	500; 1,000
6%	—Alberta Pacific Grain	1946	500; 1,000
6½%	—Canada Northern Power Corp.	1941	100; 500; 1,000
6%	—Goodyear Cotton Company	1941	100; 500; 1,000
7%	—Cawthra Apartments	1946	100; 500; 1,000
6½%	—Quebec Southern Power Corp.	1945	100; 500; 1,000
6%	—Page Hersey Tubes	1946	500; 1,000
5½%	—Avon River Power	1956	100; 500; 1,000
6½%	—St. Catherine-Stanley Realty Corp.	1946	100; 500; 1,000
6%	—Duke-Price Power Company	1966	1,000
6%	—Canada Paper Company	1945	500; 1,000
6%	—Asbestos Corporation	1941	1,000
6%	—St. Maurice Valley Corp.	1945	500; 1,000
6½%	—J. B. Baillargeon Express Co.	1941	100; 500; 1,000
6%	—Minnesota and Ontario Paper Co.	1948	100; 500; 1,000
7%	—Ravina Properties	1941	100; 500; 1,000
5½%	—Brown Company	1946	500; 1,000
7%	—400 Avenue Road	1946	100; 500; 1,000
6½%	—St. Lawrence Paper Mills	1936	1,000
7%	—Canadian Rail and Harbor Terminals	1945	100; 500; 1,000
5%	—Powell River Company	Serial	500; 1,000
6%	—Page Hersey Tubes	1946	500; 1,000
5%	—Gatineau Power Co.	1956	500; 1,000 and up
6%	—Gatineau Power Co.	1941	500; 1,000
6½%	—Anticosti Corporation	1941	500; 1,000

Can Keep Their Eyes on Their Investments

There is one investment house in Toronto that should have no difficulty in keeping an eye on the properties backing two of the securities they have sponsored.

McLeod, Young, Weir and Company have offices high up in the Metropolitan Building. They headed the syndicate that sold the Metropolitan Building issue. From the windows of the different partners there can be seen across the city the new refinery of McColl Brothers in the Ashbridge's Bay industrial area. When the McColl's swanky new tank boat is in dock it can be seen as well. The new issue of McColl Brothers preferred stock is being offered by a syndicate headed by McLeod, Young, Weir and Company.

WILL BANKING HOUSES MARKET DEBENTURES?

Step in That Direction Suggests Possible Development in This Country

Will the investment houses of Canada take to selling the debentures and investment trust certificates of the country's loan companies and trust companies?

The question is suggested by a somewhat similar arrangement initiated in the United States where a large bond house has made an arrangement to sell monthly an agreed quantity of bonds of a mortgage bond company.

An agreement has been entered into between Harris, Forbes & Co. and the Mortgage-Bond Co., of New York, whereby the former will receive a certain amount of the latter's 5½ per cent. bonds each month for offering to their clients.

Bonds issued by the Mortgage-Bond Co. are the direct obligation of the company. The mortgages it acquires are trusteed and its own bonds issued against them. Bonds are issued in series, but all are identically secured irrespective of series or maturity. The company operates under the supervision of the New York State Banking Department and under its trust indenture its issues of bonds are restricted to 15 times its capital, not including surplus or undivided profits. Neither the trust indenture nor the bonds carry any clause allowing postponement of settlement of either principal or interest under certain conditions, as is the case with many mortgage companies.

As a general thing purchasers of real estate bonds are a different class of investor from those who purchase municipal and corporation bonds, says the Wall Street Journal concerning this transaction. This is not true in Canada, where most of the large corporation houses have handled real estate bonds freely. It is time though that the trust and loan companies in Canada have found a somewhat different field for their debentures.

St. James Building Site Leased for 30 Years

The forthcoming offering of bonds of the St. James building, in Montreal, located in front of St. James United Church will be different from the ordinary in that the property upon which the building is to be erected is leasehold land.

The leasing of well-located church property for commercial purposes has not as yet reached the proportion in Canadian cities that it has in American, but it is regarded as a practice which is bound to become more and more frequent as time goes on. The leasing of a portion of the property of St. James United Church on St. Catherine Street, Montreal, for the erection of a store and office building, is said to be the forerunner of other similar leasings.

The type of lease which was arranged for St. James United Church is the one generally used in cases of this sort. The property is leased at a fixed annual rental for thirty years to a company which is to erect a commercial building on it. At the expiration of the lease, the building reverts to the church and becomes its property entirely. Special clauses in the lease protect all concerned in the event of the church property as a whole being offered for sale before the thirty years come to an end.

Moose Jaw Makes Progress; Report Shows Debt Down

Replete with information of value to investors and tax-payers is the annual financial statement of George D. Mackie, city commissioner, of Moose Jaw, Sask. The report shows the city as making progress in population growth, in tax reduction and debt reduction.

Gross debt at Dec. 31, 1925, was $6,274,603, as compared with $6,296,891 one year previous, while net debt was $4,490,376 as compared with $4,745,419.

Sinking fund surplus was $117,373.

Public utilities showed satisfactory results.

	1924	1925
Waterworks		
Expenditure	$158,056.47	$158,043.62
Revenue	159,501.87	162,100.60
Profit	$ 1,445.40	$ 4,056.98
Light and Power		
Expenditure	$376,436.25	$330,858.86
Revenue	373,107.25	386,605.45
Loss	$ 3,329.00	
Profit		$ 55,746.68
Net loss	$ 1,883.60	
Net prof.		$ 59,803.66

Population is estimated at 21,000. Net assessment per capita is $1,062; net debt per capita $213.82 and tax levy per capita $56.13.

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The present offering is a portion of an issue of $4,784,135 General Mortgage Bonds, guaranteed by a mortgage on all the assets of the Company, valued at over $20,000,000, and subject only to a prior issue of $3,000,000 of First Mortgage Bonds.
Price to yield 7%
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Municipal and Provincial Finance

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This fast growing city, the capital of the rich Province of Alberta, is the distributing centre for a wide agricultural area. Last year the grain crop alone in the Edmonton area was over $150,000,000. Experts estimate that it will exceed this sum in 1926. Cattle, coal, lumber, flax, dairy produce and furs contribute to the wealth of the district. Its Packing Plants, Grain Elevators, Railway Shops, Manufacturing Plants are kept busy. Right at its door, the Wainwright Oil Fields promise to be of vast importance to Edmonton. The city's public utilities are making an annual profit of over $350,000.

City of Edmonton bonds are in wide demand in all parts of the Dominion and the United States.

Price 101⅜ and interest to yield 5.39%.

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CANADA'S ENTRY INTO BUSINESS ADDS TAX LOAD

Canadians Go in for Public Ownership More Than States

The Public Service Magazine, of Chicago, says Canada's high taxes must be partially ascribed to too much government operation of what should be private business.

It says:

"It costs to live the way people and governments insist on living to-day.

"Modern progress entails the common problem of meeting its needs without overtaxation. That problem is constantly before us in private and public life. Complain as we will of high taxes, we know, of course, that taxes must be high so long as we insist on all the modern improvements, for they cannot be obtained or maintained without great expenditures of public funds. When, however, this ever-present problem is faced with the single interest of an honest solution there need be no misgivings as to results, provided, of course, there is sufficient ability to go with the good intentions. Too often, especially in local government, there is a deficiency in both good intentions and abilities. The result is a waste of public funds and higher taxes than the needs of progress justify.

"Since the world war it is quite the habit to attribute high taxes to its cost and consequences. They are heavy enough, to be sure, but they alone do not explain the steady increase in governmental expenditures, especially where governments engage in business and industry which belong to the province of private initiative. Canada, for example, which ascribes 40 per cent. of her present public debt to the world war, also finds another 28 per cent. due to the government's enagement in revenue-producing enterprises, including amounts expended on the Canadian National Railways since 1920. According to Charles P. Fell of the Dominion Securities Corporation, leaving out the cost of war, railways and other public service enterprises owned and operated by the government account for almost half of Canada's public debt.

"This means increased taxes. Any time a city, state or nation embarks in business it means taxing the people to maintain the business, to provide for its losses and to make up the taxes which the business would pay if it were privately and not publicly owned. The people of the United States, happily, are more and more alert to this pitfall of politics and there is reason to believe that the people of Canada are getting their eyes open to it."

ALBERTA HAS YET TO DETERMINE HOW TO OPERATE LINE

E., D. & B. C. Now Under Provincial Control, But Still Problem

No intimation has as yet been given by the Province of Alberta of its future policy in connection with the operation of the Edmonton, Dunvegan, and British Columbia Railway. This line, running from Edmonton into the Peace River country, has been under virtual provincial ownership for several years, subject to claims of a bank, and is now entirely under provincial control and ownership, the bank claims having been settled.

The C.P.R. has been operating the line, but the operating contract has been cancelled.

A recent Alberta government statement reviewed the situation:

"Full ownership in the Edmonton-Dunvegan and Central Canada railways now rests with the Alberta government, which will proceed to deal with other interests for their future operation or, as an alternative, will operate them as a public enterprise.

"The ownership rights have been secured in consideration of $1,275,000, which has been paid over to the Royal Bank in final settlement of its claim of $2,400,000 and accrued interest. Complete control of both railway lines thus passes to the province.

"A further step in clearing up the northern railway situation has been taken, it is announced by the government, by giving notice to the Canadian Pacific Railway Company of the government's intention to terminate the existing agreement under which the Canadian Pacific is operating the freight and passenger services on both lines.

"This has been done in a letter from Premier Brownlee to President Beatty, of the Canadian Pacific, which was the subject of discussion between the premier and D. C. Coleman, vice-president of the Canadian Pacific, a few days ago.

"Premier Brownlee has also declined the last offer of the Canadian Pacific Railway which proposed a renewal of the agreement on somewhat different terms. No new offer has yet been received, and it is not known at the government offices whether any further offer will come from Canadian Pacific Railway sources or not.

Debentures Transferred

"By the settlement with the Royal Bank, the province secures from the latter a transfer of the debentures issued by the E. D. and B. C. Railway to J. D. McArthur, who subsequently assigned to the Union Bank, and then to the Royal Bank. The trust deed mortgage securing these debentures is also transferred to the province along with the capital stock issued by the two railways.

"The transfer of the capital stock, shares as par value, places the province in the position of having complete ownership and control of the properties so that it can now deal with them as it may desire, without the necessity of conferring with and securing the consent of other parties as in the past.

"All the certificates of title to right-of-way, townsite and terminal properties which the bank had held as collateral security have also been transferred to the province."

Tenders and By-laws

August—Village of l'Enfant Jesus, Que.—$26,00, 5½ per cent. bonds, redeemable in 20 years.

August—School Commission of Ste. Philomene, Que.—$8,000 bonds.

August 21—Innisfil Township—$5,000, 5 per ecnt. 20-year school debentures. W. L. Black, Clerk of Innisfil, Craigville, Ont.

August 24—Quebec West, P. Q.—$21,500, 5 per cent. 30-year serial bonds. J. P. Galibois, Sect.-treas.

August 23—Trois Pistoles, P.Q.—$10,300, 5 per cent. 20-year bonds. L. Rioux, sect-treas.

August 23—L'Ascension de N. S., P. Q.—$5,000, 5½ per cent. 10-year serials. L'Lemay, sect.-treas.

August 23—St. Alexis de la Grand Baie, P.Q., schools—$35,000, 5 per cent. 30-year serial. N. La Plante, sect.-treas.

August 28—School Commission of St. Jerome du Lac, P. Q.—$30,000, 5 per cent., serial debentures. D. Fortin, sec.-treas.

August 23—Village of St. Joseph, P. Q.—$35,000, 5 per cent., serial debentures, N. Laplante, sec.-treas.

August 31—Town of Jonquiere, P. Q.—$270,000, 5 per cent. serial bonds. J. M. Lacroix, Clerk.

Alberta's Deputy Treasurer Writes Volume of Poetry

School teacher and financial expert, W. V. Newson, deputy provincial treasurer of Alberta, is now revealed in a new light. He has written a small volume of poetry, now published as a chap book by the Ryerson Press, Toronto. The title is "The Vale of Luxor."

Mr. Newson is a Prince Edward Islander. Trained for educational work, he was principal of a school in Charlottetown before going to Alberta in 1905, as a master in Alberta college. In 1906, he became assistant to the provincial auditor and became provincial treasurer in 1911, acting also, since 1912, as superintendent of insurance.

Logically enough, a financial editor likes best his "Alberta—Land of Sunshine," because it puts the economics of the situation into a few golden words.

ALBERTA—LAND OF SUNSHINE

I stand on the brink of the prairie
And the foot-hills roll at my feet;
I'm proud of my towering mountain crags,
My flowering wolds and my wheat.

I've made a truce with Apollo;
I've borrowed his golden bow;
The lordly might of his shafts of light
Are warm in the grain I grow.

I hide in my breast my riches—
My coal and naphtha and mould,
And power I store in a freshet's roar
To pay me a million fold.

I guard my gold in my rivers
And placer it in my coulees;
I hold in my hand a voluptuous land;
I wear my dower of trees.

This is the gift I offer,—
This to the strong and the bold:
I'm open to all who follow the call,—
Alberta—the new and the old.

British Columbia Gets Views of Business on New Tax

Boards of Trade all over British Columbia will be circulated by the provincial finance department to ascertain their views on the proposed abolition of the personal property tax and the substitution of a levy on gross business income. In this way the government hopes to ascertain the reaction of the public generally to this drastic change in provincial taxation.

To date the public reaction has been decidedly in favor of the suggested turnover tax—a sentiment largely dictated, it is thought, by the general unpopularity of the personal property levy. Where Hon. J. D. MacLean, minister of finance, or officials of his department have discussed the matter with businessmen's organizations they have found opinion generally almost unanimous in favor of the proposed revision of government revenues.

If expressions of opinion by public organizations so far are any criterion, it appears certain now that the proposed levy on gross business income will be adopted. On the whole, there seems little doubt that this system will be adopted at the next session and put into effect at the beginning of the next fiscal year. The general effect of the change will be to broaden the field of taxation, making many people not now taxable for personal property, subject to the new levy. On the other hand, the individual levy will be smaller in most cases.

Million Dollar Issue Passed by Vancouver Water Board

Final reading was given by the Greater Vancouver Water District Board to the by-law authorizing floating of a $1,000,000 debenture issue, of which approximately $527,000 will be paid to the city and Point Grey as the cash payments of the board in connection with the board's acquisition of the supply systems. The meeting approved borrowing from the Royal Bank of Canada $250,000 at 5½ per cent. interest.

Stratford Has No Current Debt, as Taxes in Early

For the first time in many years the city of Stratford does not owe the bank anything on current loans. Thomas Ballantyne, city treasurer, attributes this happy condition largely to the fact that the new scheme of encouraging early payment of taxes brought in enough money early in the year to keep the city affairs moving and retire the loans. Usually at this time of the year the city owes quite a sum of money to the bank, money borrowed to carry on the current expenses of the city until the taxes are paid.

UNLISTED BONDS

Abitibi 6% 1940	102¾	..
Algoma Steel 6% 1962	..	29
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	100⅜	100¾
Burns, P. & Co. 6½% 1943	103¼	104
Can. National Rly, 5% 1954	100⅞	101½
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104¼	..
Can. Pacific Rly. 5% 1934	99⅞	100⅝
Can. Pacific Rly, 4½% 1944	93½	93¾
Can. Steel Foundries 6% 1936	102	..
Dom. Textile 6% 1949	106¾	..
Frontenac Brewery 6% 1951	98	..
H. Smith Paper, 7% 1941	100	100⅝
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	101	101½
Prov. of Ontario 6% 1948	100⅞	101⅝
Ontario Pulp 6% 1931	106¾	..
Price Bros. 6% 1943	102⅝	103½
Quebec Power 6% 1953	104	103½
Winnipeg Elec. 6% 1954	95½	96½
St. Maurice Power 6½% 1953	108½	108⅞
Jam. Pub. Service 6½% 1943	102½	103½
Span. River P. 8% 1941	106	107

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Investment Bankers
MONTREAL QUEBEC
Quebec Municipals and Industrials a Specialty

BOND MOVEMENTS OF THE WEEK

Week Ending August 17

Bonds—	Int. Rate	Due	Yield	Range. High	1925 Low	Range, 1926 High	Low	Latest Price Ask	Bid	High	Low
Asbestos	5	1942	5.37	100	84¼	98	92	...	...	96⅛	...
Asbestos, G. M.	6	1956	7.49	..	...	84⅝	81¾	82¼	82	82¼	82
Canada Bread	6	1941	5.50	105	102	106	104	...	104½	105	...
Can. Canners	6	1950	6.16	96½	90	98¼	94	...	...	98	97
Canada Cement	6	1929	5.18	103¼	100	102¼	101½	...	100	102¼	...
Can. Cottons	5	1940	5.30	96	91½	97¾	95	...	97⅛	97⅛	...
Dominion Iron	5	1929	...	94	86	92	70½	...	72½	73	...
Dominion Coal	5	1940	6.60	90	84	89½	85	...	85½	85½	...
Montreal Power	4½	1932	5.08	97½	96¾	97	97	...	...	97	...
Montreal Tram.	5	1941	5.19	98	94⅞	98½	97	...	...	98	...
Montreal Tram. "A".	5	1955	5.39	98	92¾	95	92½	...	...	94¼	93
Sher. Williams	6	1941	5.39	104	101¼	107	105	...	107	106¼	...
Steel of Canada	6	1940	5.23	106	103	107½	106	...	107¼	107½	...
Wayagamack	6	1951	6.07	98¾	84¼	99	91¾	99½	99¼	99	95½
War Loan	5	1931	4.77	102.65	101.00	102.40	100.55	101.10	100.70	101.00	100.55
Do.	5	1937	4.56	104.95	103.80	104.65	103.30	103.55	103.10	103.75	103.30
Victory Loan	5½	1927	4.90	103.15	101.70	101.75	100.25	100.85	100.45	100.45	100.25
Do.	5½	1933	4.80	107.00	105.10	106.80	103.90	104.15	104.00	104.20	103.90
Do.	5½	1934	5.00	104.80	103.20	104.10	102.95	....	103.10	103.25	103.00
Do.	5½	1937	4.65	110.00	108.15	109.30	107.35	107.35	106.90	107.35	106.75
Do. Renewal	5½	1927	4.72	102.95	100.80	101.95	100.25	100.75	100.40	100.75	100.25
Do. Renewal	5½	1932	5.04	104.20	102.60	103.40	102.00	102.60	102.20	102.35	102.20
Do. Refund	5	1928	4.86	104.45	100.15	101.30	100.00	100.25	100.10	100.30	100.00
Do. Refund	4½	1940	4.89	97.25	92.00	96.70	95.60	94.45	96.10	96.00	....
Do. Refund	5	1943	4.84	102.95	101.15	102.20	101.15	101.60	101.55	101.75	101.30
Do. Refund	4½	1944	4.81	97.65	96.20	97.15	95.80	96.15	....	96.25	96.15
Do. Refund	4½	1946	4.77	..	....	96.50	95.65	96.45	96.10	96.50	96.45

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Municipal

Place	Date Sold	—Sold To—	Rate	Maturity	Amount	Cost Basis Price	Yield
New Westminster, B.C.	Aug.	Fry, Mills, Spence & Co.; and Gillespie, Hart & Todd	5%	5½-yr. av.	$27,500	97.47	5.39
Calgary, Alta., Schools	Aug.	O. C. Arnott & Co.	5%	20 yrs.	36,000	....	...
Kenora, Ont.	Aug.	C. H. Burgess & Co.	5½%	1953	12,688	98.16	...
Kenora, Ont.	Aug.	C. H. Burgess & Co.	5%	1953	16,637	....	...
Gimmer Parish Schools	Aug.	Bray, Caron & Dube	5¼%	Serial	5,000	....	...
Joliette, P.Q.	Aug.	Versailles, Vidricaire & Boulais	5%	Ser.	50,000	99.03	....
Hawkesbury, Ont.	Aug.	W. L. McKinnon & Company	6%	20 year.	19,968	104,70	5.60

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

	Date issued	Offered by	Rate	Class	Amount	Price	Yield
Stock Issues—							
McColl Bros.	Aug.	McLeod, Young, Weir & Co., and R. A. Daly & Co., Newman, Sweezey & Co., Hanson Bros., Montreal, and Matthews & Co., Toronto	7%	Pref.	1,000,000	Par	7%
		(With privilege of subscribing for half-share of common at $18 per share)					
J. S. Mitchell & Co.	Aug.	Williams, Partridge & Hodgson	7%	Pref.	600,000	Par	7%
		(With bonus of four shares of common with ten shares of preferred).					
Bond Issues—							
Hospital of Child Jesus	Aug.	Bray, Caron & Dube	5½%	Serial	205,000	....	...
Sacred Heart Hospital	Aug.	Bray, Caron & Dube	5%	Serial	58,700	....	...
Diocese of Antigonish	Aug.	Bray, Caron & Dube	5½%	Serial	10,000	....	...

Trust Company Plans To Broaden Out in B.C.

VANCOUVER.—Colonel Gilbert Norton, D. S. O., M. A., director of the Yorkshire and Canadian Trust Ltd., has just arrived from England for the purpose of becoming more closely acquainted with the company's business in British Columbia.

A change in the organization of the company is announced by H. W. Dyson, general manager. In view of the big development now taking place in Vancouver and British Columbia, it has been apparent for some time to the directors that the company has been handicapped in the service which a large financial institution of its kind can give to the community by having its activities restricted by the provisions of the Trust Companies Act.

In order to overcome this handicap the company has changed its name to "The Yorkshire & Pacific Securities Ltd.," it being the intention of the directors to operate as a general financial institution as soon as the necessary formalities have been concluded, enabling it to transfer its trusts to a new trust company, to be conducted under the same management.

This Week's Bond Sales

CITY OF JOLIETTE

The city of Joliette, P.Q., has awarded to Versailles, Vidricaire and Boulais, an issue of bonds to the amount of $50,000, bearing interest at 5 per cent. and due serially from 15 to 30 years.

Three tenders were received as follows:—

Versailles, Vidricaire, and Boulais	99.03
Credit Anglo-Francais	97.64
Dominion Securities Corp.	96.78

TOWN OF HAWKESBURY

W. L. McKinnon and Co. were the successful tenderers for an issue of $19,986, 6 per cent., 20-year bonds of the Town of Hawkesbury, Ont., at 104.70. Other bids included C. H. Burgess and Co., 104.21; and Municipal Bankers Corp. 103.21.

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Toronto

Bond issue of

$650,000.00

Maturities, 2 to 10 years. Denominations, $50, $100, $250, $500 and $1,000.

Already the demand has almost exhausted certain of these denominations and maturities.

If your investment requirements are specific, let us reserve what you need and save you disappointment.

Or write us for circular giving full description of property and bond issue.

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Winnipeg Hydro Makes Big Cut in Expenses

WINNIPEG.—Confidence that his estimate of a $150,000 surplus for the Winnipeg Hydro would be attained this year is expressed by John G. Glassco, manager of the City Hydro. A report for the five months ending May 31 shows a reduction in operating expenses for the period of more than $50,000 over last year, and a surplus of $93,195.75 as against $16,536.68 for 1925. Surplus for May was $2,659.10. Last May there was a deficit of $5,354.65.

The report for the five months of 1926 is as follows: Gross earnings, $919,919.79; operating expenses, $376,513.12; net revenue, $543,406.67; fixed charges, $450,210.92; surplus, $93,195.75. The figures for 1925 were: Gross earnings, $844,703.02; operating expenses, $427,695.78; net revenue, $417,007.24; fixed charges, $400,470.56; surplus, $16,536.68.

Kent County Owes Nothing; Joins Debt-free Clan

The county of Kent, Ontario, is now entirely out of debt, according to an announcement made by the treasurer, J. C. Fleming.

The removal of the indebtedness was complete with the retiring of the last debenture issue. The issue in question was floated about ten years ago, and raised a sum of $25,000 for patriotic purposes. At the time, other debentures were in existence, but these have been steadily paid off during the past ten years.

Kent county now enjoys the distinction of being one of the few municipalities in Ontario which can boast of no debenture debt.

Total Assets in excess of $800,000
DOMINION FINANCIAL CORPORATION LIMITED
232 St. James Street
Montreal
Mortgages Purchased

6% to 6.50%

First Mortgage Bonds of established and successful corporations may be purchased to yield from 6% to 6.50%.

Inquiries solicited for further particulars.

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NEW ISSUES

Gatineau Power Co.
1st Mortgage 5% Bonds
Due 1956
Price: 94 and interest
to yield 5.40%

Gatineau Power Co.
6% Gold Debentures
Due 1941
Price: 99.50 and interest
to yield 6.05%

The Anticosti Corporation
1st Mortgage 6½% Bonds
Due 1941
Price: at market
to yield about 6½%

The Anticosti Corporation
7% Cum. Preference Shares
Price: 97.50 and dividend
to yield 7.18%

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W. R. HOUSTON *Editor*
1926 EDITION

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FLORIDA METHODS ARE EMPLOYED IN LONDON DISTRICT

Point Pelee Lots Boomed From $100 to $5,000 in Few Hours

LONDON.—With the suddenness of war and the punctuality of a parade, a land boom of great significance for the whole of Western Ontario has developed at Pelee Point. For months past, persistent messages have been circulated in London and Western Ontario about the coming of a boom along the Lake Erie front. The activities of capitalists and realtors in Detroit, Buffalo and Cleveland, the collapse of the Florida boom, and the well-known attractions of Western Ontario for summer resort purposes have provided reasonable grounds for these reports. Now, with the certainty of fate, the boom has come, and land values which on the waste frontage of Pelee Point were two weeks ago only $100 or $200 per acre have leaped to the spectacular height of over $5,000 per acre.

The boom was engineered by Florida experts in accordance with latest Florida methods and the principles of mob psychology, says the London Free Press. Reports from Pelee Point indicate that over $1,500,000 was taken in by the promoters in two days, July 31 and August 1. The steamer, City of Toledo made two trips with a multitude of purchasers from Detroit who, on arriving at the peninsula, staged an old-time homestead rush. Priority holders who had paid $50 for their rights of pre-emption were given the first chance to buy the lots of their choice.

Line Up and Pay

The remainder lined up before open-air desks of the promoters and paid their money. The event proved rich in dramatic interest and is noteworthy as the first successful attempt to practice Florida methods in Ontario. The sellers are under obligation to the new colony who have purchased the peninsula to expend $300,000 in parks, piers, pavilions and improvements. Most of the purchasers are residents of Detroit. The price of the lots is said to have ranged from $2,000 to $9,000 each.

The boom was confined to a tract of 265 acres at the tip of Pelee peninsula. Most of it is waste land formerly owned by Capt. Post. The remainder is orchard land, the title to which was decided last February by a judgment of the Privy Council. On both sides the narrow neck of the peninsula is bounded by wide sandy beaches. At the extremity of the point a long tail of sand curls out into the blue waters of Lake Erie. Along the western side the Government has reserved a strip 400 feet wide for use as a natural park. The remainder of the land is studded with shade trees and evergreen trees. The side approach is by means of a narrow trail six miles in length which winds past the famous onion beds and fruit farms through dense underbrush. The sudden rush of traffic has proved more than the shaky wooden bridges on the trail could bear, and engineers have been busily making safe the approaches to the peninsula.

British Firms Will Locate Branches Here

F. W. Field, senior British trade commissioner at Montreal, states that many manufacturers from Great Britain are personally investigating trade conditions in Canada with the object of establishing branches or agencies here.

During the past few weeks he has received calls from a Huddersfield manufacturer of electrical products, a Sheffield cutlery company, and a Leeds concern manufacturing electric motors and switchgear. Another company which manufactures mining equipment is considering the establishment of a Canadian branch and warehouse to cater to the mining districts of Northern Ontario and Quebec.

Because of these calls, and the enquiries that are received by mail from manufacturing concerns in many parts of the Empire, Mr. Field feels that there is a great scope for trade between countries within the British Empire.

Insurance for Buyer and Seller

COMPULSORY AUTO INSURANCE OFFERS SOME DIFFICULTY

Much New Machinery is Required to Carry Out Policy

The going into effect of a policy of compulsory insurance in Massachusetts January next has aroused much interest elsewhere both in the United States and in Canada with regard to the merits and advantages of compulsory insurance. There is much opposition to the idea and there is enthusiastic support for it as well. Massachusetts did not pass the legislation on a moment's notice; it has been carefully considered for some years. Legislation recently enacted provides that no person residing in the state may have a car registered in the states unless it is covered by insurance of at least $5,000, a bond of that amount, or securities or cash of that value.

The idea of compulsory insurance recommends itself to everyone, but its actual operation presents many problems which will have to be worked out. Careful and respectable drivers are menaced on our highways by the irresponsible driver, probably with no means, in whose hand the car is a most dangerous weapon. Both the general public and the dependents of such irresponsibles require protection. Then there is the individual who has thorough confidence in his driving ability and is careless in regard to taking out a policy. The dependents of such need protection also. In the United States and Canada to-day it is probable that about 25 to 30 per cent. of motorists are covered by insurance.

With regard to the difficulties of working out the new legislation, an attorney who is well acquainted with court actions in motor accident cases stated recently:

"Many times the injury complained of is such that the aggrieved person feels the amount offered in settlements, if any, is inadequate, and especially so, if he has been told by some neighbor, or some one else who knows more about such cases than his own attorney, that he has a 'gold mine' if properly handled. There are other claimants who have real bona fide claims for which they should be properly recompensed.

"All of these claims generally find their way sooner or later into the courts and in the aggregate make quite an extensive addition to the already overburdened condition of congestion in cases waiting to be tried. With the advent of compulsory automobile insurance I feel that there are going to be more claims than ever getting into the courts, because the ordinary claimant does not care to take a chance in going after an automobilist, who has injured him, in view of the fact that so many automobiles have been sold on time payment, unless he feels certain that the offender has some tangible assets or other evidence of wealth which would make the chase worth while; but with insurance backing up the offender, that is different.

"I do not hesitate to say that I believe people seem to be injured more when they hear a prospective defendant is insured than when he is not insured. On the whole, I believe that insurance in the long run will protect the public and will be of benefit to the automobilists. But something more is needed in order to protect both sides.

"It takes so long now before a case can be finally disposed of, and there is so much worry and expense connected with suits at the present time, and also the danger before a case is reached of losing your best evidence, and in case of personal injury, obtaining the proper medical attention, which could be procured at once if a personal injury case were settled promptly, that some remedy should be provided for an early disposition of these claims.

"At the present time it takes about three years to finally dispose of a case in the Superior Court."

Insurance Company Assets Have Shown Wide Variation

The change that has gradually taken place in the holdings of Canadian life insurance companies over the past forty-five years is well illustrated in the accompanying chart. Loans on real estate and policy loans have remained almost constant, while most of the other investments have varied widely. Municipal securities took up about 45 per cent. of the total at the beginning of the period studied, but now account for less than 20 per cent. Canadian government bonds formed a negligible percentage of the total until the war period when they assumed wide proportions and have so continued. The group at the upper side of the chart designated "other assets" includes foreign government, municipal and corporation bonds and stocks, and also collateral loans.

The chief investments by main items in 1881 and in 1924 follow:

	1881		1924	
Class of Investment	Amount	% of Total	Amount	% of Total
Real Estate	$ 292,787.71	4.28	$ 25,952,592.29	3.54
Loans on Real Estate	2,098,917.07	30.68	175,905,264.10	23.98
Collateral Loans	9,120.00	.13	2,395,389.25	.33
Policy Loans	620,270.98	9.07	107,892,454.78	14.71
Canadian Government	4,200.00	.06	29,446,880.28	4.01
Provincial Government	5,065.37	.08	26,915,723.52	3.67
British & Colonial Government	....	...	28,173,306.67	3.84
French Government	....	...	741,553.14	.10
Russian Government	....	...	....	...
United States Government	....	...	254,997.85	.03
Other Government	....	...	11,636,125.54	1.59
Canadian Municipal	2,780,372.09	40.64	106,223,397.70	14.48
Other Municipal	....	...	5,506,696.71	.75
Canadian Rly. & Corporation	69,800.00	1.02	86,983,738.16	11.86
United States Corporation	....	...	24,765,356.46	3.37
Other Corporation	....	...	5,762,170.22	.78
Canadian Stocks	153,297.00	2.24	23,054,092.85	3.14
United States Stocks	....	...	26,974,358.12	3.67
Other Stocks	....	...	741,773.24	.10
Cash	171,643.60	2.51	6,355,631.42	.87
Other Assets	635,264.47	9.29	37,925,851.56	5.17
Totals	$6,840,738.29	100.00	$733,607,353.86	100.00

North American Life's Big Producers Convene

During the months of August and September, the high producers of the North American Life are enjoying the results of their efforts at a meeting in the form of a convention. The western division met on August 16, 17, and 18 at Jasper Park Lodge.

The president of the Convention Club for the Western division is J. C. Nattress, of Edmonton, and the vice-president is J. A. Collins, also of Edmonton.

A number of the head office officials are attending these conventions, among them being W. B. Taylor, president and managing director; E. J. Harvey, supervisor of agencies; H. W. Manning, assistant supervisor of agencies, and T. M. Sargant.

Insurance Institute Proceedings Published

The proceedings of the Insurance Institute of Toronto, 1925-1926, have just been issued in book form. In addition to lists of officers, committees, members, etc., it includes the report of council; treasurer's statement; the address of President R. Leopold Jones; papers by Dr. A. C. McKay, Dr. J. W. S. McCullough, F. T. Stanford, L. D. Walker, J. B. Mabon, G. F. Michelbacher and R. Leighton Foster; a syllabus of examination regulation papers; results of examinations, 1926, and an index of papers read before the Institute during the sessions 1899 to 1925.

Crown Life Forms Silver Jubilee Club

An application for $150,000 on the life of a prominent Toronto lawyer was the first received and accepted in the special month's drive being put on by the Silver Jubilee Club of the Crown Life Insurance Co., during the month of August. The application was secured by Jess Kaplan, of Toronto, vice-president of the club. The drive is the result of voluntary action on the part of the Silver Jubilee Club, which consists of the Crown Life's leading producers, and was formed in honor of the company's 25th anniversary. It followed a four-day convention of the club, at which the members and their ladies, coming from various parts of Canada, Newfoundland, the United States and Cuba, were the guests of the company. In appreciation of the company's hospitality, the month of August was designated for special effort by the members of the club.

Dominion Life to Hold Convention

Over eighty Dominion Life field men from all parts of Canada will attend the Dominion Life Educational convention being held in Montreal, August 29-31. The privilege of attending this convention, at which both Dr. S. S. Huebner, of the University of Pennsylvania, and J. M. Holcombe, of Hartford, will speak, is offered to Dominion Life men who, during the past year, have qualified for the company's Hundred Thousand Club, called after Thomas Hilliard, the company's founder and president.

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A surplus of over twenty-eight million dollars gives additional security to policies of the

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Securing Your Future

The man who takes out a 20-Pay Life Coupon Savings Policy to-day will receive an accumulation of benefits all through his life—protection for himself and his dependents and increased dividends every year for 20 years.

These dividends are provided in the form of guaranteed coupons attached to the policy. You clip your first coupon in 1927 and from then on their guaranteed cash value increases each year. If you leave the coupons untouched, the policy will be paid up in 15 instead of 20 years—your dependents protected without further cost to yourself.

Ask your nearest Northern Life Agent about this attractive plan, or write our Home Office.

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IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

"Always Be Prepared for the Unexpected"
—*Roger Babson*

"The business man and investor," says Mr. Babson, "should not look upon disasters as something out of the ordinary, but as normal events. For this reason I strongly recommend that business men carry insurance of every nature possible."

Failures and bad debt losses are certainly normal events. They may happen with startling irregularity or lack of warning—but they happen—plenty of them—year after year. In fact, because of their very uncertainty, bad debt losses are your *biggest* business risk. You simply can't tell when they are coming, or from what source. But you *can* safeguard against them, with

Credit Insurance

Right now, some of your best customers may be on the verge of failure. Play safe—don't gamble with your book accounts. Protect them—get the worry of them off your mind—with one of our policies, written to fit your exact requirements.

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Current Events in Banking World

PROFIT SHARING BY THE BANKS IN FORM OF BONUSES

More Direct Application of the Idea Has Been Failure

It having been suggested by a western bank manager that the banks follow the example of the big industrial corporations in the adoption of profit-sharing plans, it would be in order perhaps to consider the head office attitude on this question. To this end the matter has been discussed with a number of the higher bank executives.

Profit-sharing is not a new subject at head office by any means. In these days when the relations between employer and employee are being so carefully studied to the end of creating a state of mutual satisfaction in the best interests of all concerned, it will hardly be a matter for surprise that the application of various innovations in the way of distributing profit rewards for greater endeavor, has been well considered by the banks. In fact I found the position taken that Canadian banks had for years applied the profit-sharing principle to their staff relations in so for as experience has shown that this can be satisfactorily worked out.

What profit-sharing plans have the banks adopted, will be asked? That is the question I put to a supervisor.

Bonus is Profit-Sharing

In reply he pointed to the staff bonus system generally adopted by the Canadian banks. During periods of prosperity, this, he declared, was a practical application of the profit-sharing principle to banking. In good years the members of the staff shared in the increased profits. This rule was consistently followed during the period of war and post-war prosperity but had been generally suspended in succeeding years for reasons which could be found by examination of the profit and loss account of any of the Canadian banks, he explained.

Pensions and Insurance

Further, this official submitted that pension funds to which the banks contributed regularly and substantially were a form of practical profit-sharing, as also were the group insurance plans adopted by the majority of the banks. The funds contributed by the banks were from the profits which the employees helped to create and the substantial benefits were in the final analysis a reward for good service just as much as the additional dollars distributed in wages or salaries under the industrial profit-sharing plans.

Then the point was made that the system of salary advances in the banks was based on performance and that in this way the managers and others shared in the profits they created for their institutions. As for the stock ownership campaigns now carried on with industrial and public utility employees, this official explained that the idea was not a new one to the banks but experiments in this direction had not worked out satisfactorily. One factor which works against the plan is that the Bank Act of Canada provides that bank officials who hold shares will not be permitted to vote these shares. Another is that the shares of the majority of the Canadian banks have reached a level where they may be classed as rich men's stocks and any plan to split the shares or to reduce their market value would be complicated by the fact that the Bank Act provides that the par value of Canadian bank shares shall be $100.

Hard to Measure Results

Nor is the idea of endeavoring to increase efficiency and the wages thereof, new to the banks, I find. In the case of at least one member of "The Big Four," this plan was tried years ago—before the time of the official with whom I discussed the matter, in fact—and it failed. It was found that there was dissatisfaction because some officials and managers worked their staffs harder than others and because it was difficult to get an accurate measure of results.

"Banking, after all, is not like a factory where production can be gauged by the manufacture of a certain number of articles within a certain time limit," remarked this official. "Experiments in speeding up work have not been satisfactory in banking organizations. Perhaps we can go farther along the lines of bonuses and other benefits but in the long run the salary of the individual will largely govern his share in the bank's profits."

We have now had the suggestion from a staff member for profit-sharing and an explanation of the policies in vogue and the attitude of head office. Further views would add to the value of the discussion.—J.W.T.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	Aug. 13/25	Aug. 12/26
St. John	$2,569,587	$2,554,044
Halifax	2,872,878	2,837,132
Moncton	750,133	822,868
Sherbrooke	2,005,280	968,088
Quebec	5,268,007	5,751,930
Montreal	87,218,892	103,097,310
Ottawa	5,248,688	5,856,424
Kingston	663,413	763,759
Peterborough	685,481	701,085
Toronto	82,359,163	97,074,812
Hamilton	4,822,900	5,008,603
Brantford	918,589	951,562
London	2,282,715	2,545,437
Kitchener	873,147	1,014,622
Chatham	....	764,143
Windsor, Ont.	4,218,631	3,332,460
Sarnia	....	910,959
Total East	202,757,504	234,955,238

WESTERN CITIES

	August 13 1925	August 12 1926
Fort William	$ 730,325	$ 915,153
Winnipeg	49,680,475	50,174,344
Brandon	673,964	633,039
Regina	3,753,640	4,449,683
Saskatoon	1,855,874	2,414,115
Moose Jaw	1,087,585	1,160,740
Prince Albert	283,520	347,676
Lethbridge	556,596	557,667
Calgary	6,471,014	7,115,084
Edmonton	4,215,001	4,974,808
Medicine Hat	249,277	255,681
Vancouver	15,191,468	16,297,375
Victoria, B.C.	2,488,636	2,048,403
New Westminster	663,240	752,520
Total, West	$87,900,615	$92,096,288

Staff Gossip

Mr. Blakely, of the Canadian Bank of Commerce, is transferred to the Kindersley branch.

Mr. Jasmine, of the Bank of Toronto at Benito, is temporarily on the staff at Yorkton.—Enterprise, Yorkton.

* * *

Herb. Gaul, of the Bank of Commerce staff has received notice that he is shortly to be transferred to Brantford.—Sun, Milverton.

* * *

Mr. Gamble, who had been accountant in the Bank of Commerce here until about a year or so ago when he was transferred to Walkerton, has again been transferred to a branch at Toronto.—Banner, Listowel.

* * *

W. G. Ferris, manager of the Vernon branch of the Canadian Bank of Commerce is resigning his position at the end of August and removing to Vancouver where he will be engaged in somewhat similar work, though not with a bank.

It is not known at present who is to be Mr. Ferris' successor as manager of the Bank of Commerce.—News, Vernon.

* * *

James Cameron, who for several years past has been manager of the local branch of the Canadian Bank of Commerce and who has been promoted to inspector in the manager in chief's department at the old head office of the Bank of Hamilton, Hamilton, Ont., which bank is now amalgamated with the Bank of Commerce, was recently presented by members of the local staff with an easy chair.—Times, Moose Jaw.

* * *

Jean E. Arpin, superintendent of the Middle West District for the Banque Canadienne Nationale, and manager of the Winnipeg branch, was a visitor in Port Arthur for a few minutes recently, on his way home. He arrived on the Hamonic, following an extensive trip to the branches of the bank in Quebec. He states that Quebec and Manitoba French-Canadian farmers appear to be enjoying prosperity, judging by the number of new accounts opened during the past twelve months. The children of Quebec, Mr. Alpin states, are also taught thrift, and the Banque Canadienne Nationale enjoys a large clientele of children.—News-Chronicle, Port Arthur.

* * *

A former well known figure in financial and social circles in Ottawa was removed recently by the death of Guy S. Orde, which occurred at Port Carling, Ont. Mr. Orde for years had been manager for the Union Bank of Canada in several of the larger cities in the Dominion, throughout which he was well known.

Born in Ottawa 47 years ago, Mr. Orde went to Western Canada as a young man, and there entered the employ of the Union Bank. After occupying junior positions in different offices in the West, he received the appointment as manager of main Calgary branch. Later, after spending a short time in Winnipeg, he was transferred back to Ottawa in 1917, and took over the managership of the local head office situated at the corner of Sparks and Metcalfe Sts.

Mr. Orde remained at the head of the Sparks St. branch of the bank here from 1917 until 1923, when he was transferred back to Winnipeg, where he became manager of the home office of the bank. Later when the Union Bank was taken over by the Royal Bank, Mr. Orde established a financial business, which he carried on until retiring a little over a year ago.—Citizen, Ottawa.

* * *

J. R. Beaton, the new manager of the Welland branch of the Bank of Montreal, is a native of Kilsyth, Grey County, Ont., and a graduate of the Owen Sound High School. He was with the Merchants' Bank for 17 years prior to that institution being taken over by the Bank of Montreal, and served in various capacities in the branch at Owen Sound, Ingersoll, Chatham and Quebec. He was on Imperial Service from January, 1917, to August, 1919, and after demobilization was appointed manager of the Merchant's Bank Branch at West Toronto, later being transferred to the managership of the Bothwell Branch. For the two years prior to his present appointment he was in the superintendent's department of the Bank of Montreal at Toronto.—Tribune-Telegraph, Welland.

GOLD SHIPMENTS TO CANADA

NEW YORK.—The Bank of Montreal shipped $1,000,000 in gold to Canada August 12. This brings the total shipped on the present move up to $9,500,000. It is likely that more of the precious metal will find its way across the border.

£

A Complete Service

Executor - Administrator Agent for executors or administrators in the handling of estates.

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CORPORATION
10-12 East King St., TORONTO
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New Bank Branches Are Opening in Windsor

WINDSOR. — With two new bank branches due to open in the Border Cities within the next week or two, and other banks hinting at prospective extensions within the near future, the financial outlook for the Border, as gleaned through a survey of local financial institutions seems bright.

The two banks which are nearly ready to open new branches are the Canadian Bank of Commerce and the Bank of Montreal. It is expected that the branch of the former will open Monday, or at least early next week. It is situated at 1410 London Street west, serving a district where business is rapidly growing. The announcement was made by W. G. Lynch, manager of the main Windsor branch.

This branch will be the sixth to operate in the Border Cities, including three in Windsor alone. It will be staffed from the branch at the corner of Sandwich Street and Ouellette Avenue, and will be under the direct control of Mr. Lynch.

STANDARD BANK

The Kitchener branch of the Standard Bank of Canada opened its doors to business under the management of W. C. Campbell, of Tavistock, who formerly was manager of the Wellesley branch. He is assisted by A. H. Berlet also of Tavistock. While the interior trimming is not yet completed, head office executives desired the commencement of business immediately.

South Dakota Rural Credit System Shows Big Deficit

A report revealing that a deficit of $3,038,663 exists in the South Dakota rural credit system was issued by the Rural Credit Board. The report is a statement of conditions at the close of business July 30, 1926, and covers the nine years that the rural credit system has been in operation.

The actual operating loss, the board's statement showed, is $2,529,915, and the balance of the deficit is not chargeable directly to the regular running of the rural credit office. This balance includes such items as the alleged defalcations of the former treasurer, bond discount less premiums, foreclosure costs and miscellaneous expenses.

HAVE PREFERENCES IN GOLD COINS

New York.—Recent gold shipments to the Far East have called attention to the unfortunate dislike of natives of Far Eastern countries for American gold coins of the newer mintage, which is a source of a great deal of annoyance to banks making gold shipments.

Now, when it is necessary to make a shipment of gold to such countries as India, Ceylon, Java, or the Straits Settlements, for instance, the banks' employees must carefully sort through stocks of gold coins and separate the coins of the older die that have a head of Liberty on its face and the flying eagle on its reverse from the newer die with its head of an Indian bedecked with feathers on its face and the standing eagle which is anything but artistic.

BANK OF MONTREAL

A branch of the Bank of Montreal was opened on the 16th at Ste. Anne de Beaupre, Que., under the management of J. G. A. Couture.

A Growing Industry in Nova Scotia

A well-diversified list of customers throughout one of Canada's oldest sections, little subject to the depressions which mark less ancient districts, makes the position of the Avon River Power Co. Limited of Nova Scotia thoroughly satisfactory.

The company supplies towns and industries in the Annapolis Valley with light and power and with its recent acquisition of other properties promises healthy expansion in the future.

We own and offer the First Mortgage 5½% Sinking Fund Gold Bonds of this Company at

98.50 and accrued interest
to yield more than 5.60%

Descriptive circular on request.

JOHNSTON AND WARD
14 KING ST. EAST, TORONTO
Members: Montreal Stock Exchange — Toronto Stock Exchange.

As the entire issue has been sold this advertisement appears as a matter of record only.

NEW ISSUE $1,000,000

McColl Brothers, Limited

Refiners and Distributors of Petroleum Products, including

Red Indian Motor Oils and Marathon Gasoline

7% Sinking Fund Cumulative Convertible Preferred Stock
($100 par Value)

The sinking fund cumulative convertible Preferred Stock is to be fully paid and non-assessable and to be without voting rights, except as hereinafter provided for; preferred as to assets and dividends; entitled to cumulative preferential cash dividends at the rate of 7% per annum, payable quarterly at any branch in Canada of the Company's bankers (The Standard Bank of Canada). Dividends payable quarterly, at par, 1st March, June, September and December. Dividends accrue from 1st September, 1926. Redeemable in whole or in part, on any dividend date, on 60 days' notice at $107.50 per share and accrued dividends.

Transfer Agents and Registrar: National Trust Company, Limited.

CAPITALIZATION

	Authorized	Issued
7% Sinking Fund Cumulative Convertible Preferred Stock (par value $100)	$1,000,000*	$1,000,000
Common Shares (without nominal or par value)	150,000 shares	90,000 shares

*Subject to increase as authorized by supplementary letters patent.

Summary of information supplied by Mr. John W. McColl, President of the Company, in his accompanying letter:—

BUSINESS—McColl Brothers, Limited, was incorporated under the Laws of the Dominion of Canada on December 12th, 1918, and prior to that time was conducted as a private partnership. The business has been established for more than fifty years, during which time the Company has never had an unprofitable year. The same supervision which has successfully developed the business of the Company in the past will continue to operate in active management of the Company in the future.

PROPERTIES—The Company has complete facilities in Canada, from coast to coast, for the distribution of its product, maintaining twenty-one advantageously located branches in eight provinces. In addition to these facilities the Company owns a modern oil refinery situated on Toronto Harbour, where both rail and water transportation facilities are excellent. The Company also owns and operates a modern tank ship (equipped with Diesel engines), tank cars, tank trucks, and a number of gasoline and oil service stations. The Company also controls, through ownership of all the capital stock, the business of McColl Brothers, Inc., of Buffalo, which owns valuable land and oil tanks in that city.

PRODUCTS—The Company originally specialized in industrial oils, but has in recent years added to its products other brands of manufactured lubricants and gasoline. Its Red Indian Motor Oils and Marathon Hi-Test Gasoline enjoy an enviable reputation in the trade. The Company sells these products from its own tank trucks to retail dealers.

ASSETS—Net tangible assets as at June 30th, 1926, according to the Company's balance sheet, after giving effect to this financing, as certified to by Messrs. Price, Waterhouse & Company, amounted to $2,640,417.01, equal to over $264 for each share of preferred stock outstanding. Net current assets alone amounted to $1,236,401.36, or equal to more than $123 per share of preferred stock outstanding. The Company has no funded or mortgage indebtedness. Goodwill is carried on the balance sheet at $1.00.

EARNINGS—Net earnings from operations, as certified to by Messrs. Price, Waterhouse & Company, for the period of four years ending December 31st, 1925, after charging all expenses of manufacturing, selling and administration, and making adequate provision for income taxes and depreciation, were as follows:—

Year	Earnings from Operations before Depreciation	Depreciation	Net Earnings Available for Dividends on Preferred Stock
1922	$211,036.32	$37,209.79	$173,826.53
1923	308,402.03	45,533.28	262,868.75
1924	364,128.87	65,650.52	298,478.35
1925	266,430.53	64,016.94	202,413.59

Certified net earnings, after all operating expenses, depreciation and taxes, for the first six months of 1926, amounted to $155,692.60.

The average annual net earnings, therefore, after deduction of all operating expenses, depreciation and taxes, during the four years and six months ended June 30th, 1926, as certified to by Messrs. Price, Waterhouse & Company, amounted to $242,951.06, or 3.47 times dividend requirements on the preferred stock outstanding.

Earnings for each of the years 1922 to 1925 include no profit from the refinery which began complete operation only in April, 1926, so that the management conservatively estimate that the earnings for 1926 will be at least $350,000, which is equal to 5 times dividend requirements on the preferred stock outstanding.

The Company has paid dividends on its stock uninterruptedly since incorporation. It is their intention to inaugurate dividends on the new common stock at the rate of 80 cents per share per year.

SINKING FUND—Provision has been made for an annual sinking fund, commencing May 1st, 1927, of 2% of the largest amount of preferred stock at any time theretofore outstanding.

PURPOSE OF ISSUE—The proceeds of this issue will be used to reimburse the Company for expenditures recently made on its new refinery and oil tanker, to provide for the construction of new service stations, and for additional working capital. All of the proceeds are being invested in the Company's business.

CONVERSION RIGHTS—The registered owners of certificates of preferred stock shall have, up to and including September 1, 1931, the right to convert their shares into three shares of no-par-value common stock for each share of $100 par value of preferred stock, and to receive accrued dividends to date of conversion. In the event of the preferred stock being redeemed prior to that date, preferred shareholders shall have the right to exercise the above conversion privilege at any time prior to the redemption date.

SUBSCRIPTION RIGHTS—Purchasers of the preferred stock will have the right at time of purchase to subscribe to one share of common stock at $18 per share for each 2 shares of preferred stock purchased. Fractional shares will be adjusted on the basis of $18 a share.

These shares are offered for sale and delivery if, as and when issued and received by us, and subject to the approval of all legal proceedings by Messrs. Long & Daly for the Underwriters, and Messrs. Kilmer, Irving & Davis for the Company.

Interim certificates are expected to be ready for delivery on or about September 1st, 1926.

Application will be made in due course to have these shares admitted to the unlisted department of the Toronto Stock Exchange.

PRICE: 100 and accrued dividend per share

We recommend this preferred stock for investment.

McLeod, Young, Weir & Co., Limited
Metropolitan Bldg., Toronto

R. A. Daly & Co.
Bank of Toronto Bldg., Toronto

Hanson Bros.
180 St. James St., Montreal

Mathews & Co., Limited
255 Bay St., Toronto

Newman, Sweezey & Company
136 St. James St., Montreal

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

ATLANTIC EDITOR WOULD MAKE N.S. FREE OF CANADA

Economic Independence of Maritime Province Sought by Baker

HALIFAX.—Clifford L. Baker, who made a straight plea for an independent Nova Scotia when he came before the Royal Maritime Commission, is editor of Kentville Advertiser. This is one of the more influential of the small town weeklies of Nova Scotia and one that has come out on more than one occasion for a virtual separation of this province from the rest of the Dominion. Mr. Baker has some following, for in Nova Scotia there are still many people who will tell you that Nova Scotia was "sold" by false leaders when it was forced into Confederation, that the people of the province never favored the project, would have killed it if they had had a chance and have never benefitted from the union of the provinces. Mr. Baker is also president of the League for Economic Freedom of Nova Scotia.

Mr. Baker asked for greater freedom for Nova Scotia within Confederation and, as an alternative, complete separation.

His idea of greater freedom within the Dominion can be gained from his statement that:

"It is our conviction that any stable prosperity, the intelligent development of our resources and the enduring upbuilding of this province and its people depends upon Nova Scotia securing:

"(a) The power to make her own trade treaties. This power will provide a key with which may be unlocked wider and yet wider and more profitable markets.

"(b) The power to control her own tariff policies and to regulate all matters of taxation.

"(c) Full control of her fisheries, as of her other natural resources."

Strongly Opposes National Tariff

Chiefly he opposed the Canadian tariff, which had killed Nova Scotia's industries without giving them the usual quid pro quo of a home market. On the point of the tariff, Mr. Baker said:

"Practically all manufactured articles which are used every day in the most modest scale of living are protected to the point where a dollar earned from the sale of our products in the unprotected markets of the world shrinks in despair from the task of supporting its owner.

"We are forced to endure the thraldom of high tariff while reaping none of the benefits; for we are not at present, and never will be under the present arrangements, a manufacturing country, and are so situated that we cannot reach the markets of the large manufacturing sections of Canada. It has been claimed by some, whom we hold to be false prophets, that, by a readjustment of freight rates, we can find outlet for our goods in the markets of Central Canada. This we believe to be impossible. Reasons for such belief have already been fully outlined before your commission, and it will suffice for the present to point out that, broadly speaking, the products of this province compete directly with the products of the other provinces of the Dominion, and in most cases production is cheaper in the other provinces.

"We have seen then that the greatest burden and handicap of Nova Scotia is the high tariff taxation which has been thrust upon us for the benefit of other provinces of the Dominion which naturally profit by such a policy. Against those other provinces we hold no ill-will or resentment. If we may, for example, mention Ontario, it is with the full recognition that that magnificent province is primarily a manufacturing community which depends chiefly upon the markets of the Dominion for its outlet. Under those circumstances it was and is to be expected that Ontario will continue to favor a system of protective tariff for this Dominion. But the fact remains that a policy which has resulted in great growth and accumulation of wealth for one section of the Dominion has already had the effect of destroying the prosperity, and stultifying the growth of other provinces. It is very evident that, in matters of economic development and fiscal policy, there is no community of interest between the several sections of the Dominion of Canada.

Ruination of Smaller Provinces

"This fact has been repeatedly emphasized at the polls and in divers ways. Accepting this finding, therefore, it becomes plain that under the present constitution of the Dominion, fiscal policy and taxation will continue to be directed in the interest of the stronger and to the detriment and, possibly, ruination of the smaller and weaker provinces, until these latter shall have become completely atrophied, or a crisis be reached which will precipitate a decision through force and anger which might far better be reached through goodwill and a generous understanding."

Finally in conclusion Mr. Baker argued:

"Certain it is, and we say this to you fearlessly and frankly, the sole alternative to a greater freedom for this province of N. S. within the Confederation, based upon the general considerations herein outlined, is an early separation from the Dominion of Canada and a dissolution of the present partnership, in order that Nova Scotia may become again a self-supporting, self-respecting, self-governing unit in the British Commonwealth. Upon this ground we take our stand in the firm faith that there will not be found lacking, when the need arises, the necessary determination, intelligence, courage and leadership to pursue whatever course may be opened to us to the achievement of a higher destiny than lies within our present purview."

CANADIAN POSTUM CEREAL

Following the announcement some time ago of the purchase of Jello Company and of Ingleheart Bros. by the Postum Cereal Company, the latter company now announce that, effective September 1, the sale of all products of these three companies in Canada will be through the Canadian Postum Cereal Company's organization. This should mean greater efficiency and economy and should improve the position of the Canadian Postum Cereal Company.

DOMINION EXPRESS CHANGES ITS NAME

Will in Future be Known Throughout World as the Canadian Pacific Express

In order to make capital of the name Canadian Pacific, known throughout the world in connection with Canada's great transportation system, the Dominion Express Co., operated by the railway company, will after Sept. 1 be known as the Canadian Pacific Express Co. The announcement is made over the signature of W. S. Stout, president of the company, who, in doing so, voices his conviction that under the new name, better business results and a wider advertisement for Canada, especially in foreign countries, would be secured by the change.

The history of the company is a story of immense development from small beginnings. In 1882, when this company commenced express operations over the lines then being operated by the Canadian Pacific Railway in the west of Canada, it covered only 445 miles and only some half dozen employees carried on business at seven small agencies. At Winnipeg, where the company then had its head office, its entire means of transportation was one horse and a second-hand wagon. To-day, the Dominion Express operates on 17,761 land and 14,181 ocean miles. It has over a thousand street vehicles in its service and a money order business has been developed with 4,673 selling agencies.

The company which has done a large share, of which it is proud, towards Canada's development, owes its success undoubtedly to the goodwill of the Canadian people. It first began operations at Rat Portage, now known as Kenora, to Oak Lake and its head office was at Winnipeg. Prior to this the express business in this territory was handled by a group of Winnipeg businessmen.

The Nation's Business

(Continued from page 1)

formal regularization of Canada's status of constitutional equality with Great Britain."

* * *

WITH "hands off the people's railways" as a campaign slogan the Liberals and Progressives have already brought the Canadian National Railways into the election campaign. Efforts are being made to indicate that a Conservative government would sell or dismember the Canadian National Railways and, in support of this view, Mr. Patenaude's speeches in the last election are being quoted. He then suggested that the railways should be sold to relieve the pressing burden upon the taxpayers.

Mr. Meighen has fairly effectively disposed of the idea that he has in mind any such policy regarding the nationals and has gotten from Sir Henry Thornton a letter that clears him of any charge of undue tinkering with the operation of the C.N.R. Thornton, with tactful finesse, made it clear in his statement that all that he said went for the King government, too.

The Canadian National Railways are, however, less a subject for political discussion than previously. This is because their improved earnings have somewhat relieved public apprehension regarding their future. No party or leader is suggesting anything in this campaign more definite than a maintenance of the status quo, government ownership under Thornton.

* * *

THERE is never any lack of free trade sentiment in the House of Commons. There are always a few lengthy arguments in favor of that policy during each session of Parliament. But it is worthy of note that there has been little free trade discussion on any political platform during the current election campaign. Even in the West, the leaders of the Liberal party have declined to make free trade or anything approaching it, a talking point although they have done so in prior elections.

In 1923, in the Saskatchewan legislature, Hon. Charles Dunning backed a resolution favoring all around reduction in the customs tariff; a gradual tendency towards free trade between Great Britain and Canada; reciprocity with the United States and free entry for a long list of foodstuffs, machinery and raw materials. In his Regina nomination speech the other day, he attacked high protection but did not definitely come out for greatly lowered protection. He contented himself with saying, "My idea is that a tariff high enough to make an inefficient industry a prosperous industry is bad policy."

In eastern industrial centres, he favored "a practicable tariff which would benefit the majority of the people and to be administered by the tariff board. If Saskatchewan was all of Canada it might be advisable to have free trade but Saskatchewan is not all of Canada and neither, may I say, is Ontario," said Mr. Dunning.

Concerning which, the Winnipeg Tribune says, "The tariff in Canada must, in its practical employment, embody the spirit of compromise. Each province, as Mr. Dunning says, must remember that it is not all Canada. That fact must be accepted by industrialized provinces in the east as frankly as it has been accepted in the West.

* * *

LAST week we quoted various labels tagged on The Financial Post by different editors to describe its politics. One paper called it "Liberal"; another "Conservative"; and still a third "ultra-Conservative." They still come. This week, two more have been added to the list of adjectives. The New Glasgow News calls The Financial Post "Independent" and the Manitoba Free Press says it is "unfriendly to Mr. Meighen."

The explanation of this multiplicity of conflicting descriptions is that most of these editors have quoted from The Post something that they thought was favorable to their particular viewpoint, whether Liberal or Conservative, and to make their case stronger have given The Post the opposite label, the idea being to indicate "Why, even the other party's paper admits we're right."

But, as we pointed out last week, The Financial Post is not the organ of any party but stands for policies that will forward Canada's economic march and it supports men who are serving Canada well.

The Foreign Exchanges

Conducted by S. J. ZACKS.

The foreign exchanges continue steady and inactive. Improved sentiment in the franc brought a halt to the recent decline and the franc netted a gain of about 15 points above last week's close. Belgian franc also improved, while the Italian lire failed to climb with its sister currencies. Persistent buying of yen made Japanese yens a feature, closing well over .48, the new high since 1923. Purchases of yen by Chinese and far Easterners, who sold silver currencies in order to buy yen, were in part responsible for the sensational rally. Silver exchange continues heavy, having reached the lowest levels in recent trading.

Gold shipments to Canada have declined somewhat and the premium on United States funds weakened slightly during the week. The softening of Canadian dollars was accompanied by a slacking in the demand for them.

Sterling continues very steady in spite of the appearance of the first cotton and grain bills. These will undoubtedly continue in greater volume and reach their peak during September and October. The recent £5,000,000 shipment which arrived at San Francisco from Australia supposedly came as a balance for British account, to offset the seasonal grain and cotton demands.

A noteworthy feature during the week was the marked strength of pesetas, which closed at $.1553. These have been as low as $.1486 this month. Spain's recent dollar demands for wheat have been filled and abroad the demand for these found the offerings scarce.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Aug. 12	4.85 9/16	2.69	3.28¾
Aug. 13	4.85 9/16	2.71½	3.29¼
Aug. 14	4.85 9/16	2.73	3.29
Aug. 16	4.85 9/16	2.72¼	3.27½
Aug. 17	4.85⅝	2.82¼	3.28¾
Aug. 18	4.85⅞	2.85½	3.34¼

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Aug. 12	5-32	11-64	x3-64	3-64
Aug. 13	5-32	3-16	x3-64	3-64
Aug. 14	9-64	5-32	x3-64	3-64
Aug. 16	9-64	5-32	x3-64	3-64
Aug. 17	9-64	5-32	x1-16	5-64
Aug. 18	9-64	5-32	x1-16	1-16

xDiscount.

FOREIGN EXCHANGE

Par		Aug. 11	Aug. 18
19.30	Italian	3.29½	3.34¼
23.82	German	23.77	23.81
32.45	Brazil	15.58	15.50
19.30	Belgium	2.69¾	2.72½
94.85	Japan	47.72½	47.65

PACIFIC MILLS EARNINGS

Pacific Mills, Ltd., located at Ocean Falls, B.C., and controlled by the Crown-Willamette Paper Co., San Francisco, reports the following earnings for the six months ending June:

Gross	$1,124,367
Interest	200,721
Depreciation	423,845
Depletion	13,373
Federal taxes	84,900
Net profit	$ 395,528

Calgary, Alberta

Stocks, Bonds, Grain & Oil Leases

Carlile & Farr Ltd.

Private wire to all markets.

Correspondents of Logan & Bryan.

VIPOND CONSOLIDATED MINES, LTD.

(No Personal Liability)

NOTICE is hereby given that the Annual General Meeting of the Shareholders of VIPOND CONSOLIDATED MINES, LIMITED, (No Personal Liability) will be held in the Board Room of The Trusts and Guarantee Company, Limited, 302 Bay Street, Toronto, Ont. on Monday, the Thirteenth day of September, 1926, at the hour of 11.30 a.m (Daylight-Saving Time), for the purpose of receiving the reports and accounts for the fiscal year ended 31st July, 1926, for the election of Directors for the ensuing year; the appointment of Auditors; to consider and, if thought advisable to confirm, ratify and sanction the following By-law passed by the Directors on the 20th day of July, 1926:

By-law No 29: "That the Directors be and they are hereby authorized to make application to the Lieutenant-Governor of the Province of Ontario for the issue of Supplementary Letters Patent providing for the increase of the authorized capital stock of the Company from Two Million Dollars ($2,000,000), the capital when so increased to consist of Two Million, Five Hundred Thousand (2,500,000) shares of the par value of One Dollar ($1.00) each." and for the transaction of all such other business as may come before the Meeting.

August 10th, 1926.

By Order of the Board,
R. S. DENING, Secretary.

SUCCESS OF CANADIAN TRAIN IN FRANCE COULD BE MULTIPLIED

(Continued from page 1)

Paris. At the rate at which advertising space is sold in the city of Montreal, these 2,800 columns would have cost exactly three times the amount spent by Canada for the Canadian Exhibition train. And still, looking back at our organization I must admit that it was far from perfect.

"With the experience that we have gathered, I feel convinced that we could do much better in Great Britain.

"If skilfully prepared, the circuit of an imposing train, such as that of 1923, would find the entire population of England, Scotland and Ireland on tiptoe gazing at Canada as it would, in a stately and impressive pageant, progress through the country. This suggestion of sending a Canadian Exhibition Train to Great Britain has been received here with favor, and, I might say, in many cases, with enthusiasm.

Would Cost $200,000

"The cost of carrying out this project would be relatively small, $200,000.

"The train and its equipment would cost about $120,000 (30 motors and trailers at $4,000). Five hundred dollars a day would cover all expenses during the progress of the train—(90 days at $500 or $45,000). This was our total cost in Belgium where our personnel was much greater than necessary. For collecting, forwarding, insuring exhibits, etc., an approximate amount of $35,000 is added.

"This expenditure should be borne, in my opinion, in the same manner as the cost of the train in France, i. e., one-half by the federal government, and one-quarter by each of our two big railway systems.

"The capital invested in the equipment could, subsequently, be used to do similar service in different countries. It could immediately tour the middle western states of the Republic to the south, to recruit farmers for our wheat lands. The Canadian Pacific Railway has, with success, used similar methods in that region, but on a very modest scale.

"Then, it might be employed with excellent results in the eastern part of the States to stimulate the inflow of tourists to Canada. In fact, it could, in time be sent to Australia, New Zealand, South America, etc. The cars would be so built as to be easily 'knocked down' for transportation."

Mexico Tramways Company

General Consolidated First Mortgage 50-Year 5 Per Cent. Gold Bonds.

NOTICE IS HEREBY GIVEN that on and after 1st September, 1926, Coupon No. 27, dated 1st March, 1920, detached from the above Bonds, will be paid at the Bank of Montreal, Toronto, Montreal or London, England, or at the agency of the Bank of Montreal, New York, N.Y., at the holder's option.

Dated at Toronto this 16th day of August, 1926.

MEXICO TRAMWAYS COMPANY,
R. H. MERRY, Secretary.

Lake Shore Mines, Limited

(No Personal Liability)

DIVIDEND NO. 26

Notice is hereby given that a quarterly dividend of ten per cent. on the issued capital stock of the Company will be paid on the 15th of September, 1926, to shareholders of record at the close of business on the 1st of September, 1926.

By order of the board.
Kirkland Securities, Limited,
Secretary.
Dated at Kirkland Lake, Ontario,
August 16, 1926.

ST. MAURICE VALLEY CORPORATION

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending September 30th, 1926, being at the rate of 7% per annum on the paid-up Preferred Stock of this Corporation, has been declared and that same will be paid on the first day of October, 1926, to Shareholders of record at the close of business September 15th, 1926.

By order of the Board.
A. DEHAUFFE,
Secretary and Treasurer.
Montreal, August 10, 1926.

BELGO CANADIAN PAPER COMPANY, LIMITED

Dividend Notice

Notice is hereby given that the following dividends have been declared for the quarter ending 30th September, 1926:

Dividend No. 13 on the Preferred Stock: One and three-quarters per cent. (1¾%) payable on the first day of October, 1926, to Shareholders of record of the 4th day of September, 1926.

Dividend No. 8 on the Common Stock: One and a half per cent. (1½%) payable on the eleventh day of October, 1926, to shareholders of record of the 30th day of September, 1926.

By order of the Board.
A. DEHAUFFE,
Secretary-Treasurer.
Montreal, August 10, 1926.

The Bank of Nova Scotia

Dividend No. 227

Notice is hereby given that a Dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending Sept. 30, 1926, and that the same will be payable on and after Friday, the first day of October next, at any of the offices of the Bank in Canada.

The Stock Transfer Books will be closed from the 16th to the 30th proximo, inclusive.

By order of the Board.
J. A. McLEOD,
General Manager.
Halifax, N.S., Aug. 12th, 1926.

EXPERIENCED ACCOUNTANT

Scotsman, 30 years of age, with proven character and ability, desires change. No future in present position. Fluent Spanish, oral and written. First-class references. Willing to go anywhere if prospects are good.

Box 270, Financial Post,
Toronto, Ont.

DIVIDEND NUMBER 153

Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 9th day of September, 1926, on which date cheques will be mailed to shareholders of record at the close of business on the 24th day of August, 1926.

Dated the 17th day of August, 1926.
I. McIVOR,
Assistant-Treasurer.

ECONOMIC ADVISOR WANTED

An Association whose members do a national business want someone to prepare a weekly letter of up-to-date information on Canadian business conditions as a whole and as they apply to their particular industry.

They are prepared to pay a liberal fee to the person who can supply them with the information in a broad, accurate, thorough way as to be a guide to them in their future production and selling plans and policies.

Address, giving details of capacity for such work and experience, in first instance

SECRETARY, Box 260,
THE FINANCIAL POST,
153 University Ave., Toronto

DIVIDEND No. 8.

The Keeley Silver Mines

LIMITED

(No Personal Liability)

Notice is hereby given that the regular half-yearly dividend of 8 per cent., plus a bonus of 4 per cent., has been declared payable on the 15th of September, 1926, to shareholders of record at the close of business, August 31st, 1926. The transfer books of the Company will be closed from September 1st to 14th, both dates inclusive.

By order of the Board,
R. S. DENING,
Secretary.
Toronto, August 17th, 1926.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record of 31st July, 1926.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 20th July, 1926.

SALESMAN WANTED

High-grade machinery salesman or graduate of engineering school with experience in selling. Must be resourceful, constructive and have a certain amount of imagination. Thirty-five or under. Good proposition with splendid prospects for advancement. Full particulars in letter of application. Members of our own staff are aware that this advertisement is being inserted.

Box 268, Financial Post,
153 University Ave.,
Toronto, Ont.

Business Opportunity

First class opening for young, aggressive mechanical engineer or business executive with considerable capital, in general engineering and machinery business in British Columbia. Advertiser has operated business successfully for twenty years and holds control. He has reached an age when he wishes to withdraw from active participation and desires to dispose of his controlling interest for this reason. The interest is offered at a bargain for cash. The Plant is advantageously located, the business is long established, competition is not keen and climatic conditions are pleasant.

Address Box No. 254, Financial Post,
153 University Ave.,
Toronto, Ont.

THE

Canadian Bank of Commerce

Dividend No. 158

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1926, payable at the Bank and its Branches, on and after Wednesday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1926. The transfer books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 16th July, 1926.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICES

Notice is hereby given that a Dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY LIMITED, for the three months ending August 31st, 1926, has been declared payable on Wednesday, September 1st, 1926 to Shareholders of record at the close of business on Saturday, August 21st, 1926.

BY ORDER OF THE BOARD,
M. H. HUTCHISON,
Secretary.

Notice is hereby given that a Dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY LIMITED for the three months ending August 31st, 1926, has been declared payable on Wednesday, September 1st, 1926, to Shareholders of record at the close of business on Saturday, August 21st. 1926.

BY ORDER OF THE BOARD,
M. H. HUTCHISON,
Secretary.

WANTED

A MAN WHO IS MAKING GOOD

A splendid opportunity with exceptional future is offered by a large Canadian Company to a man between 25 and 35 who, in addition to initiative, personality and adaptability, is proving in his present work that he possesses the characteristics necessary for executive responsibility. Salary will be commensurate with the qualifications of the man.

We need a man who is not only making good now, but whose ability and determination will ensure progress beyond the average. Accounting experience is desirable but not essential.

If you can meet these requirements, write Box 262, FINANCIAL POST, Toronto 2.

Featuring Alberta Oil

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-24 PUBLICATION OFFICE: TORONTO, AUGUST 20, 1926 Special Section 17-24

TURNER VALLEY OIL EXPLORATION VERY INTENSIVE - CLEAN

Beautiful Sight to Look Down Valley and Note All the Derricks

ROTARY'S AGAIN GOING

Believed to Have Best Chance of Penetrating Through Tremendous Gas Area

Early in April the writer visited the Alberta oil fields. Having seen a good deal of the 1914 boom, it was not a difficult task to note the great difference between the earlier and the present movement. The first was a brokerage proposition, the present one of oil exploration. Going back in July the change noted was also very radical. In the intervening period a great number of new companies had taken the field and the number of derricks had almost doubled.

The new companies seem to be going at it in the right way. They are installing up-to-the-minute drilling rigs and are driving ahead with their wells. It is a good commendary of the field that stock-jobbing is almost extinct. There may be one or two concerns that are more seriously concerned with getting names on the dotted line and cheques attached than they are with getting drills down to the limestone, but they are not flourishing. This condition is perhaps due to the fact that the great bulk of the financing of these public companies has been done on the prairies and particularly in Calgary, so that the stock jobber finds it difficult to sell his stock in competition with the numerous well sponsored ventures that are on the market. Besides the people have become quickly educated by engineers, geologists, and the leading companies as to the most promising parts of the field and to get anywhere, a company must have well located holdings. These cost too much to tempt the stock-jobber.

Is Bound to Happen

But wait! The stock-jobber will come. A few more wells will make *eastern* money wake up. Then the wild-catter will get off in the corner with his little patch of $2 acreage and try and hook the Eastern money, depending on distance to help him get by with his story. There is bound to be such spring up and many are going to lose their money but if they practice looking before they leap; investigating before they invest, they will help the oil industry and help themselves.

It is a very pretty sight to stand at the top of the Turner Valley structure and look south. The Valley rests between the first and second range of the Rockies foothills. Stretching out to the south for several miles are the scattered derricks, like checkers on a checker board in a half-played game. Away to the south, well up on a hill, one can faintly see outlined against the horizon, the most southerly of the derricks. It is an interesting story yet a most active one. Bits are pounding away in about 18 of them, several others are impatiently trying to fish up lost tools, while others are just about getting under way. Over 30 aggressive operations should be going by Sept. 1 and at least 10 more in another couple of months; when it is considered that each of these companies contemplated spending around $200,000, it will be seen that the oil hunt has developed into a great big serious movement. Companies are not throwing millions away for nothing.

Rotary's at Work

Oil men are pleased to have the Royalite company's big rotary outfits at work again. For the first 3,500 ft. these rigs are perhaps not the best for the field. But as is pointed out in another article, it will have to be a rotary or a diamond drill that will get through the tremendous wet gas pressure and see what lies below.

A lot of interest attaches to Royalite 5, located about 400 yards north of No. 4. The latter, drilled with standard tools, blew itself in at 3,710 ft. No. 5, which has been tied up for sometime is now down around 3,500 ft. or close to 100 ft. below where No. 4 hit the limestone.

Another important Royalite operation is No. 6, another rotary, also drilling again. It is located a mile and a half south-east of No. 4. It has been tied up because of litigation over its lease. It is now down about 3,000 ft.

Vulcan and Illinois-Alberta look to be the wells to watch with No. 5 Royalite next. Many are disheartened over Vulcan, but Pres. Spooner and his head driller, Snyder, the man who drilled Royalite, while feeling the tension, are working away. About July 1 a bit slipped the socket when it became fastened or caught in the 6-inch hole at a depth of 4,890 ft., the deepest hole in the field. The well is regarded as one of the cleanest drilling jobs on the continent. Perfectly straight, and desiring to have the hole clean, if the well comes in, they have been fishing even since trying to pick up the bit. When the writer was in the field the third week in July a fishing string had been lost, but this was soon recovered. It is no easy

(Continued on page 20)

Use Diamond Drill to Combat Gas Pressure and Seek Oil Pool Below

Illinois-Alberta Well in Turner Valley Field Has Decided on Very Important Move for Company and Field —Should be Quite a Feasible Operation

An innovation of decided importance to the Turner Valley oil field is to be tried out by Illinois Alberta Oil Company, situated west of Royalite 4 and northwest of McLeod No. 2. It will attempt to finish its well by diamond drill from a depth of 3,679 ft. where the limestone was penetrated.

With the tremendous gas pressure that the two leading producers of the field have encountered, and with the constant trouble they have had with standard drilling rigs, the fact has been forced home, that to get clean wells, some other method of finishing the wells is necessary. The standard drilling rig is faster than the rotary and very efficient until the gas pressure is encountered. Then they become dangerous. The gas drives the bits up in the well and when the snapback comes, the cables snap or the sockets slip. In both Royalite 4 and McLeod 2 there are tools at the bottom and these detract from the efficiency of the well.

Another important fact is that geologists and oil men generally are of the opinion that below the present limestone will be found a large crude oil reservoir. The standard tools cannot cut this, as they cannot combat the heavy gas pressure. As the Calgary Oil Examiner has well pointed out, that until some well has been able to do this, no one is going to be able to say whether or not the big crude oil producing sands lie beneath the present producing limestone formations. It is now the opinion of many of the geologists that the big pay sand will be found underneath this limestone. It is the opinion of some that the present high gravity oil is the result of pressure forcing this through many feet of limestone from underneath.

Using a Rotary

When the Imperial officials decided to instal the rotary rigs they, no doubt, had this in view. They must have thought that trouble was going to be experienced with cable tools bringing about the necessary penetration of the present high pressure sands. When Royalite No. 5 reaches limestone production, the same as No. 4 now has, it is almost sure that the Imperial will cause the rotary to keep on going down, until it reaches some other formations to indicate the possibilities of the crude oil. They will have the best chance to prove this.

At the present time the well is down 3 679 feet, where the 4½ inch cable bit penetrated a break in the limestone, producing gas to the extent that it shot the string of tools up the hole and kinked the cable. Fearing further accident the drilling was halted, and after examination of the well by a representative of the diamond drill company it was decided to purchase one of this type of drills to complete the well.

Up-to-Date Drill

A diamond drill, up-to-date in every respect, has been ordered by the company to complete the well. Announcement of this was made by A. Owen Jennings, president of the company.

The expert sent up by the Sullivan company from Chicago found that the Illinois-Alberta well was in perfect condition for finishing with a diamond drill, and after studying Turner Valley gas conditions, stated that he was convinced of the practicability of the diamond drill here.

The outfit ordered is expected to be delivered within two weeks, during which time the Illinois-Alberta crew will be busy in reinforcing the derrick floor, because the engine that drives the diamond drill down under great pressure and at a great number of revolutions per minute is generally located right over the hole.

The crew will also instal a second boiler to furnish the extra power needed.

The diamond drill ordered will make a hole three inches in diameter, which can be underreamed if necessary to four and a half inches. An expert diamond driller and a diamond setter will be sent by the Sullivan company along with the outfit, so that there should be no delay or mistakes in getting the well completed.

Will Be Big Enough

The operation of a diamond drill is not unlike that of a rotary. The action of the machinery is practically the same, but the great difference is in the method of the way the drill does its cutting. With a rotary, the cutting is done by bits, while with the diamond, it is done by eight diamonds imbedded at the bottom of the drill stem, around the edges of the stem, and this revolving, causes a core to be cut out of the strata. The core is the same as if you were to take an apple corer and cut out the core of an apple. The diamond drill operates in a similar manner in the rock.

There is a mistaken idea that the production of a well is governed by the size of the pipe or hole. This is true to some extent on offset wells where it is desired to get the maximum flush production, but otherwise a small hole will give the same results as a large one, without the danger of drawing in sand or salt water. A four inch pipe or hole (the size the Illinois-Alberta is drilling), with a

(Continued on page 21)

Turner Valley Gas Pressure is Very Uncommon Feature

U.S. Field Have Had Heavier Gas Flow, But the Force Behind it Was Much Less and Not the Problem as is the Case at Calgary

Turner Valley oil field, southeast of Calgary, has developed tremendous gas pressure. The flow of Royalite Four is around 19,000,000 ft. daily and McLeod No. 2 somewhat less. The force of these wells, shooting their wet gas is tremendous. When Royalite Four came in it blew 98 tons of casing to the top of the derrick. Tremendous gas pressure is expected in oil fields. G. W. Brinson, Colorado Springs, an oil man with experience in Texas and Oklahoma fields, stated while in Calgary recently that he drilled a gas well at Amerilla, Texas, which produced no less than 130,000,000 cubic feet. The well was dry gas. The pressure was only about 600 pounds, but a spark caused the equipment to be destroyed, and the well was many weeks being put under control. He stated that several gas wells of 80 000,000 cubic feet have been found there within the past few years.

Pressure is Greater

Mr. Brinson is of the opinion that special difficulties beset the drillers in the Turner Valley field — difficulties which are not met with in the fields of the United States. The chief one of these is the enormous pressure under which gas is encountered here. Much larger flows of gas have been met with in fields drilled in by Mr. Brinson, but the pressure has always been less.

The fact that gas does issue out of the strata under such enormous pressures here is responsible for many of the wells losing their tools, which, in some cases, may lead to long delays caused by fishing, and in other cases where the tools are not recoverable, as in the Royalite No. 4, may mean that the company has to be content with a smaller flow than might possibly be attained by drilling deeper into the limestone.

Change the Tools

The suggestion put forward by Mr. Brinson, who, as has been stated, is experienced in handling big gas wells, is that the wells here be drilled to a certain distance within the limestone by means of standard tools, which make for speed of drilling, but that for the rest of the way into the gaseous strata the drillers should change over to a diamond drill, or to a rotary.

The danger with standard tools is that the drilling string is blown up some distance and the cable snapped, as with Royalite and the McLeod No. 2. With a diamond drill this is impossible, as the gas finds an easy way out and the bit does not block up the hole. The conditions are similar with the rotary tools. The bit used by a rotary rig is shaped like a fish tail and there is plenty of room for gas to pass it. In addition, the drilling stem of the rotary is generally filled with water, which may exert a considerable pressure upon the bottom of the hole. If, however, the gas pressure grows too great, the column of water in the drill stem is blown out and the gas can rush out unimpeded.

Alberta Indians in Solemn Conclave Vote on Oil Leases

The Alberta oil hunt has brought the Indians into the limelight and is making business men out of them. Morley Indian Reserve on the Moose Mountain structure to the west of Calgary is very favorably regarded as a potential oil pool. The Indians control the lands, however, and application for leases to drill the wells must be made to the Indian council. They in turn present the matter to the tribe and if the lease applicants are considered suitable, a vote of the Indians is taken.

The leases granted by the Indians are on a one-eighth royalty basis.

It is noted that the Osage Indians of Northern Oklahama have received $136,014,397 bonus and royalties since oil and gas were discovered on their lands in 1905. Last year they got $11,700 for each man, woman and child.

Bottle of McLeod Oil

THE FINANCIAL POST
D. E. CUSHING

The above is a picture of a 4 oz. bottle of naphtha, caught by the writer as it came out of McLeod No. 2 well, Turner Valley field, the day after the well came in. This strikingly emphasizes the difference between this oil and the ordinary crude. It is almost as clear as water. The lettering was pasted on the back of the bottle and photographed through the oil. The level of the oil is noticeable on the bottle as is also the marked size of the bottle which is stamped in the glass.

The McLeod well is producing $2,000 worth of this oil daily and 12,500,000-ft. of gas.

Use Live Steam to Prevent Tool Sparks Setting Fire to Gas

Working around a roaring gas well is not an easy task. McLeod No. 2 has been fishing for a lost tool in the bottom of the well. The well meanwhile is allowed to roar ahead. It is impossible for the drillers to speak, yet they are facing two constant dangers. The gas pressure is constantly hurling up particles into the derrick and these fall to the floor, and there is always the danger of fire. This makes for more noise as the drillers have a stream of live steam pouring around the control head to catch and smother any spark that might fly from the working tools before it can catch the gas and set it afire.

McLeod Well Proves Royalite Four Well is Not a Freak Producer

Whether McLeod No. 2 is drilled deeper or not, it is now a commercial oil well of immense value, justifying all the faith reposed in it by its drillers.

It adds the last proof required that Turner Valley is a real oil field, capable of producing great riches, says Calgary Herald.

Royalite No. 4 is not a "freak" in the sense of having tapped an exclusive treasure ground. The formation into which it pierced extends over a wide area. The same conditions that have produced high values from it are demonstrated to be present elsewhere.

As knowledge of McLeod's production spreads, larger operators will be attracted to Alberta and more capital will be available for exploratory work in other formations besides that at Turner Valley.

The situation is decidedly promising and this province may look forward with great confidence to a large accession of wealth, due to more intensive cultivation of fields, which, geologically, indicate the presence of oil.

OIL BOILS FROM CORES TAKEN FROM MOOSE MT. WELL

Interesting Development in New Well North and West of Turner Valley

Enough oil can be pressed out of the two inch cores brought up from the Reserve well, on Morley Indian reserve at Moose Mountain, some 30 miles west of Calgary, to have a complete analysis made, and Dr. John Allan has taken several samples up to Edmonton in order to have Dr. Kelso, the provincial analyist, test the oil for all its properties.

The well is now close on to the 1,600 foot mark, and at almost any time the drillers expect to strike their first production in the top of the Dakotas.

N. Harris, who brought back several pieces of core from the well a few days ago, stated that the oil in the strata brought up by the diamond drill, was obviously under pressure, as it boiled out to the cut face as soon as hauled to the surface. He stated that Dr. Allan declared that the company could not possibly ask for better conditions than those already shown in the cores brought up.

It appears, therefore, that the Reserve well may be one of the first to bring in production. If it does so it will mean perhaps more to the Alberta oil fields than another producing well in Turner Valley. It is true that big production is not looked for in the shallow depth that the Reserve is now at, but even a twenty-five barrel well will prove up a large area of new territory and put all the more faith into the investors who are backing the companies that are now developing the Moose Mountain field.

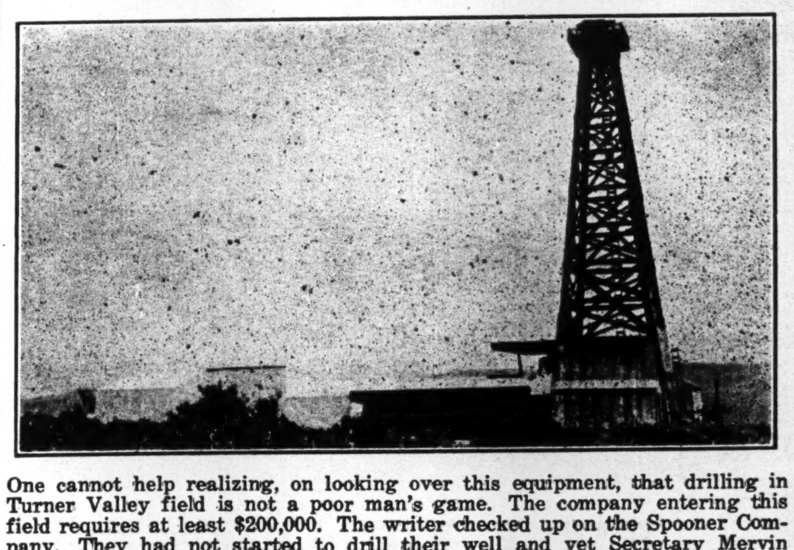
HOLD DALHOUSIE SHARES

In a statement to Dalhousie shareholders Trusts and Guarantee Co. denies that there will be any further distribution of the 21,250 Dalhousie shares being held in connection with the action of W. C. Walsh, against Southern Alberta Oil Co., for commission on sale of the assets of the latter company to the Dalhousie. The shares will not be issued until the action has been settled.

Drilling for Oil in Turner Valley Not Poor Man's Game

Heavy Equipment Necessary is Very Costly—Vulcan's List an Example—Strong Concerns Are Building For Permanency

The picture below shows the new derrick and buildings of Spooner Oils. Outside the derrick the buildings are of fireproof construction. It is a sign of the times. The men in the field feel that the Turner Valley oil field is proving and they are building for permanency. Another evidence of the optimism of the Spooner people is the fact that the equipment purchased is capable of drilling several wells. It is the very latest in standard rig equipment. The largest drilling bits with which the well will be started weigh 3,000 pounds.



One cannot help realizing, on looking over this equipment, that drilling in Turner Valley field is not a poor man's game. The company entering this field requires at least $200,000. The writer checked up on the Spooner Company. They had not started to drill their well and yet Secretary Mervin Smith said they had spent close to $50,000. The equipment used on the nearby Vulcan well, headed by Mr. Spooner and one of the cleanest operations in the field, gives some idea of the magnitude of the operations going on. Well down 4,865 feet, will likely carry to 5,100. Casing used, $50,000; 200 feet 20-inch, costing 10c. a foot; 1,100 feet of 15-inch; 2,400 feet of 12-inch; 3,200 feet of 10-inch; 4,200 feet of 8-inch and 5,000 feet of 6-inch. Tools, including rig, rig irons, boiler, engine, $30,000. The company purchased six 4,000-ft. wire cables at 30c. a foot. In addition, fuel, labor and wear and tear, add $70 a day and it takes six months to a year to drill a well.

BIG CONCERNS ARE STUDYING CLOSELY ALBERTA FIELDS

Geologists of California Independents Recently Visited Wainwright Area

SOME DISAPPOINTED

Emerald Well Failed to Come in as Big Producer — Consolidated is Not in Oil Sands

An aggressive exploration of the Wainwright oil field is just getting under way. One or two disappointments have been experienced. These in no way detracted against the possibilities of the structure but they made for delay. The important development now taking place is the attention which some of the large independent U. S. operators are giving to a study of the section and the advent of some new independent drillers.

Indications are not lacking that the cost of drilling wells in the field is going to be cut materially and this will be a factor in having more wells poked down.

The pumping of the Edmonton-Wainwright well has proven very satisfactory. This was started when the writer was present and the estimate in the first hour was at about 300 barrels daily. There would be considerable shrinkage in this, owing to the presence of gas, but even a 50 per cent. shrinkage would still leave a good well.

About the time the pump started, the Emerald well to the west was supposed to come in. It didn't. It was a miscalculation. The well was not deep enough. The casing had been cemented so additional casing was attempted. This did not prove successful. It was then decided to let the well stand. It might work itself in. Meanwhile Western Consolidated was nearing the promised sands. Last week The Financial Post told of the progress being made. If this well comes in, which it may near the end of this week, then it is likely that Emerald will run another string of casing and drill perhaps another 200-ft. into the oil sands.

Strata Too Tight

The core taken out of the well when the writer visited it, reeked with oil but the strata seemed entirely too tight to carry or house much oil. The Emerald is one of the cleanest promotions in the field, was financed very quickly, and is in good hands, so that if there is a chance for it, the people behind it will push it on.

Rather an encouraging feature of the summer's activities has been the presence in the field of parties of geologists representing two large independent California concerns. It seems that the drillers active in the Wainwright area are former California operators and their reports back home gradually reached some of the companies. These men were much impressed by the field and two large acreage options have since been taken. A number of other outside concerns are buying leases and good prices are being paid.

A much more aggressive drilling campaign is expected on the arrival of new up-to-the-minute drilling rigs, now on their way.

Anglo-Alberta is bringing a new rig from California, while British-Wainwright is also waiting on its equipment. Edmonton - Wainwright with its producer at Wainwright is pushing ahead on its second well at Irma to the west. It may be that the new Anglo-Alberta rig will drill the Wainwright-Dome well first. National Explorations, located near the British Petroleum, Edmonton - Wainwright and Emerald, has its derrick ready and is waiting on its drilling rig.

Mewasin—This company is understood to be progressing favorably with its financing.

Toronto-Wain.—This company is getting rounded into shape rapidly and it is understood there is ample money behind it from Toronto parties. They have recently secured 40 acres of leases from the British Petroleums under their royalty agreement with the Baxter Lake.

Trafalgar—This company is also being financed in Toronto.

As we pointed out Western Consolidated may bring in a well the last part of this week or early next. This well is southeast of the other active group. The company's No. 1 well is down 1400 ft. and when No. 2 is complete the rig will be moved over.

Interior is waiting the installation of a new boiler before starting drilling operations. It will be remembered that the Interior was shut down last fall and just when they were ready to start up again this spring the rig burned. This has been replaced and all that is required now is to get their boiler installed. Their well stands at 1,500 feet.

The outlook for the field is good. There are three refinery propositions selling stock with the idea of locating plants at or near Wainwright and one or two others are talking of entering the field.

ROYALITE 4 SHOWS DECLINE IN NAPHTHA OR GAS PRODUCTION

Market Problem May Arise if Other Wells Bring in Same Grade

Royalite Four in Turner Valley is producing half a million gallons of naphtha monthly. McLeod No. 2 is producing somewhere around half that amount. It may increase this output as the Royalite well did.

There is a possibility of producers facing a market problem if the production of this high grade oil continues. It is stated that Imperial Oil has about all it can handle at present at its Calgary refinery. Crude oil must be brought in and mixed to bring the grade of oil down.

This problem, if it is one, may disappear, however, if Vulcan and some other wells come in as crude producers. This would not only take care of the high grade naphtha but also absorb most of the waste gas.

Royalite well shows no diminution of either volume of naphtha or pressure and volume of gas, which is between 18,000,000 and 19,000,000 cubic feet a day. It has thus firmly established its reputation as one of the world's oil wonders, and geologists have given up in despair in trying to figure out just where all the naphtha and gas are coming from and why.

The figures given below are shipment figures—that is, they are the figures which the refinery credits to the Royalite for production. These show the Royalite Company shipped from Turner Valley during July a total of 537,194 gallons of naphtha. Of this total, approximately 900 gallons a day, or about 27,900 gallons for the month, came from the extraction plant fed by the Royalite No. 1 and No. 2 wells. Deducting this amount from 537,194 leaves 509,294 gallons produced by Royalite No. 4 during the month. On a basis of 35 imperial gallons to a barrel, this puts the well's July production at 14,551 barrels.

The production figures of the well as given below indicate some decrease over the preceding months, but this is due entirely to the fact that during the cold winter months the recovery of the naphtha from the gas is much greater than during the warm months of summer:

1925	Barrels	Imp. Gals.
June	14,409	491,716
July	15,308	536,135
Aug.	14,379	503,285
Sept.	12,708	444,559
Oct.	13,000	445,525
Nov.	15,417	589,585
Dec.	15,556	544,479
1926		
Jan.	19,978	699,261
Feb.	15,621	546,943
Mar.	16,076	562,679
April	16,008	560,278
May	15,728	550,508
June	14,875	520,642
July	14,551	509,294

CO-OPERATIVE SPECULATING

A company has been organized in Calgary for co-operative market speculation. Shareholders pool their oil stock holdings, and the proceeds from the speculation in the shares will be paid out in the form of dividends.

Devenish Pet. Shares as United Dividend

Nearly $14,000 in the bank, $150,000 in government bonds, investments in other companies of $18,700, 12,419 acres of leased land, drilling outfit, trucks and automobiles, a producing gas well in Foremost field, $2,000 paid in advance on leases, were some of the assets which the directors of United Oils had to show to their shareholders at the annual meeting. The liabilities of the company only total $850 in accounts payable. Total assets aggregate $374,771.24.

Information regarding the United and Devenish Petroleums was included in the report. Devenish Petroleums was originally a syndicate in which the United put in $15,000, with others, to make up $60,000. The filing was made on 80,000 acres and then the parent Devenish Petroleums, with a capital of $1,500,000 and three subsidiary companies, King's Lake, Legend and Verdigris Coulee oil companies, were formed with capital of $50,000 each. It was decided by the syndicate that four shares of stock in Devenish should be given for each $1 invested, which gave United 60,000 shares. In consideration of the United agreeing to drill a well on a site selected they also received another 300,000 shares.

This gives the United 360,000 shares of Devenish stock. It had been decided to give each shareholder of the United registered on September 1, one share of Devenish Pet. stock, which will be issued around October 1. The Devenish shares are no par value. This allotment will dispose of 230,184 shares of the 360,000, and the remaining 129,816 will remain in the treasury.

ASBESTOS-LINED BRAKES

Asbestos-lined brakes one inch thick are now being installed on the modern drilling rigs in Turner Valley to hold the heavy weight of the drill string.

WILL TEST OUT NEW STRUCTURE TO EAST

Toronto Interests Will Take Land South of Drumheller Coal Area

The area southeast of Drumheller, Alberta, a section which many have predicted will be productive of oil is to be tested out.

E. R. Sager, E.M., consulting geologist and oil engineer of Los Angeles, has just completed a survey of the territory from a point twenty miles north of Rumsey to forty miles below Steveville. He has selected a drilling location at Willow Creek, twelve miles southeast of Drumheller. Associated with Mr. Sager is J. E. Jennings, of Toronto.

Mr. Sager advances the theory that somewhere between the Wainwright field and the Bow Island gas field, a high gravity oil should be located. He states that the Willow Creek location has every indication of being over an oil reservoir. He estimates that the first gas sand will be struck at 300 feet, the Wainwright sand at between 1,500 and 1,700 feet, and the main oil sand between 2,100 and 2,300 feet.

The interests which Mr. Sager represents have leased some six thousand acres, while the Marland group which has completed a big deal with the Hudson's Bay Co., has sent its geologists to go over the Willow Creek field with Mr. Sager. Hudson Bay has two sections, numbers 8 and 26, the former situated in the heart of the 6,000 acres, which have been filed upon.

Mr. Sager considers that conditions in the Willow Creek field are as near ideal as it is possible to find.

WATCHING ROYALITE 5 AND 6 CLOSELY

Both Rotary Outfits Are Near Very Interesting Stage

CALGARY. — Grinding steadily away, the two big Royalite rotary drills in Turner Valley, though apparently very slow, have actually kept pace with other wells which started with cable tools about the same time, and the No. 5 is now at the point where it may be expected to develop something shortly.

No. 5 was down 3,489 feet Saturday morning, having made 39 feet of hole during the week. As this rotary outfit is situated only about 100 yards north of Royalite No. 4, which hit the top of the limestone at 3,430 feet, and blew into production at 3,710 feet, it will be noted that the big rotary is at a most interesting stage of progress.

No. 6 Going Faster

The No. 6 rotary, which is situated about a mile and a half southeast of Royalite No. 4 has been making even faster progress, considering the long period it was tied up due to some litigation over the lease. Saturday, No. 6 had just reached the 3,000 foot level and was drilling ahead.

From the standpoint of development in Turner Valley, the No. 5, owing to its distance from the No. 4, is much more important to the independent companies in the south end of the field as it will prove up a big area.

Modern Drill Outfit For Wainwright Area

With the return of Dave Credille and the arrival of Anglo-Alberta's new rotary rig at Wainwright, full details concerning the rig are available. Purchased in Los Angeles were it was used to drill wells of 5,000 feet in the Signal Hill field, it is of the extra heavy type No. 7 manufactured by the Union Tool Co. No. 5 is the standard size rig but the No. 7 type for heavy duty may be used to drill very deep, hard formations. The Anglo-Alberta rig can thus be used to test the lime as well as formations above. It is equipped with a liberal supply of accessories such as extra drill stems, the most up-to-date types of fishing tools, extra tool joints, all sizes of over shots, impression blocks, wall hooks and substitutes of various sizes. Clocks on bits are being purchased for very hard complicated drilling such as may be encountered in Turner Valley and similar formations. The blacksmith shop equipped with heavy trip hammers and emery stands for the fish tail, disc bit and core barrel dressings will be operated jointly by Anglo-Alberta and British-Wainwright who supply the engine which is operated by natural gas. The most modern type of Spengler core barrel is being used. Much heavier and well equipped than the average rig in the field the Anglo-Alberta is a distinct acquisition to Wainwright and may be depended upon to keep drilling no matter what the difficulties encountered.

The company has fully financed all expenditures to date and the rig is ready for the first work which is now under consideration by the directorate. A definite announcement will be made after the meeting of the directors on August 6, but it is anticipated that the company will either lease the rig or take drilling contracts before drilling the company's own acreage. Several attractive offers for both are available over broadly scattered locations in the province. Offers have been received from Turner Valley companies to finish off wells, as it is becoming increasingly evident that the rotary method is better adapted than the standard to successfully complete wells where tremendous gas and rock pressure is encountered as in Turner Valley.

By keeping its rig at work the company expects to raise considerable money and put itself in a strong financial position with a comparatively small amount of the capital stock issued.

BELGO-CANADIAN— MILL CITY DISPUTE

Lawsuit Over Cancellation of Lease and All Efforts Are Halted

Trouble arose in Calgary between the Belgo-Canadian Oils, Mill City Oils which owned the old Record well, and Jean Bilterijst, geologist. Belgo-Canadian lost its lease on the Record well and now litigation is going on. The Financial Post has had several inquiries of late re Belgo-Canadian, and the following statement by President Braseth may help to a better understanding of the situation.

With regard to the action brought by Jean Bilterijst, Mr. Braseth stated that an escrow agreement was executed between Bilterijst and the Mill City on Nov. 23, 1925, giving him until April 15, 1926, to have a drilling rig and all other necessary tools and machinery and equipment installed, free from debt, for the purpose of cleaning out the old Record well.

On that date Bilterijst was not in a position to carry out his agreement, and on his request an extension of time was granted until May 15 for the commencement of the work. He again found that he was not in a position to carry out the agreement, and on his request was granted an extension until June 1, 1926. Still another request was received from Bilterijst and the time extended until June 21, at which time he was notified that this would be the final extension.

Despite the fact that three extensions had been granted, he was unable to fulfill the agreement, and as the directors of Mill City were of the opinion that sufficient time had been given him for the commencement of the work and he had failed to do so, the agreement was withdrawn from escrow.

On July 20, 1926, Bilterijst started an action against this company, claiming right to this property. The Mill City is fully prepared to defend the case and it has as its solicitors, Messrs Savery, Fenerty and Laurin, looking after its interests in this connection.

Mr. Braseth also stated that the action which had been started by Bilterijst is jointly against both the Mill City Oils, Ltd., and the Belgo-Canadian Oils, Ltd.

On July 1, 1926, the following representatives of the Belgo-Canadian Oils, Ltd., met the directors of Mill City—Messrs Kolb, Partridge, Neerman, Rossiter, Kennedy, O'Rouke and Stevens—for the purpose of entering into negotiations for a sub-lease for their company, namely, the east half of L.S.D. 14, all of L.S.D. 15 and 16, in sec. 4, twp. 19, rge. 2, west of the 5th, pleading that the shareholders in the Belgo-Canadian should be given consideration by the Mill City. Although the Mill City were of the opinion that they were not responsible to the shareholders of the Belgo-Canadian, they felt that they should safeguard those who had put their money into that company, and were therefore willing to grant a sub-lease on being satisfied that the new organization was in a position to enter into a drilling contract.

At a meeting of the Belgo-Canadian shareholders, recently, a letter from Mr. Braseth was read stating that the Mill City was not prepared to go further with the lease of the 100 acres above mentioned until the lawsuit with Mr. Bilterijst was settled.

Mr. Braseth stated that this does not mean that Mill City is refusing to let the Belgo-Canadian have this lease, but that no further steps in drawing up the contract and having it signed by the directors of the two companies will be taken until the litigation started by Mr. Bilterijst has been settled.

WAINWRIGHT DOME OIL COMPANY LIMITED

Authorized Capital $1,000,000.00 — Dominion Charter
Par Value of Shares $1.00 Each

Own 2208 Acres of Oil Lands All on Structure
All Acreage Free From Royalties

Drilling Location: — L.S. 7 and W.½ L.S. 8 in Sect. 31, Tp. 45, Range 6, West 4th. M.

Geologists and expert oil men have been unanimous in commending the Wainwright Dome Oil Co. Ltd., as having the choicest drilling location in the field.

Derrick, 120 ft. high, built on location.
Water Well, 320 ft. deep, with sufficient supply of water, has been drilled.
Mud and Oil pits have been made.
Rapid rotary disc bit has been purchased.
String of 8¼" Casing has been ordered and will be on the location in ten days.
Arrangements are now being made for a combination drilling rig.
Program:— To drill two wells this season.

Offering 100,000 shares at the par value of $1.00 each.
Considerable of this has already been subscribed.

Send for information and literature. Your inquiries and investigation solicited.

WAINWRIGHT DOME OIL CO. LTD.

THOS. L. RAWN, President
M. L. FORSTER, Vice-President
J. L. GEROW, Secretary-Treasurer

WAINWRIGHT **ALBERTA**

What We Have Done

--Not what we're going to do
--Not even what others have done

This is a Story of Worth While Achievement — Not a Series of High Sounding Promises.

Facts the careful investor in oil should consider. They furnish assurance of conscientious effort in your behalf and a steady income from your investment.

Two Producing Wells Now Earning Money.
No Promotion Stock.
Leases All Paid For in Full.

Storage Tank Capacity—1,750 Barrels.
Company Has its Own Drilling Rig, Rig Irons, Tools, Pumps, Pipe-Line and Power Plant.
Every Dollar Subscribed Goes Into Actual Development.
Company's Own Standard Rig Ready to Move to New Location.

THE DIRECTORATE

ROBT. WILKINSON, President.
Oil Operator.
ARTHUR G. SPOONER, Vice-President.
Vulcan Oils, Ltd.
J. E. McGINNISS, Director.
Advance-Rumely Co.
A. A. DICK, Director,
Owner, Alexandra Hotel.
L. A. NEWMAN, Director, Farmer.
R. A. WILDERMAN, Director, Rancher.
GORDON GOODISON, Secretary-Treasurer.
E. C. SNIDER, Director, Barrister.
PEET, MARWOOD, MITCHELL & CO.,
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QUICK ACTION—Spudded first well, December 2, 1925. Received first cheque for oil produced March 1, 1926.

$1,051.75

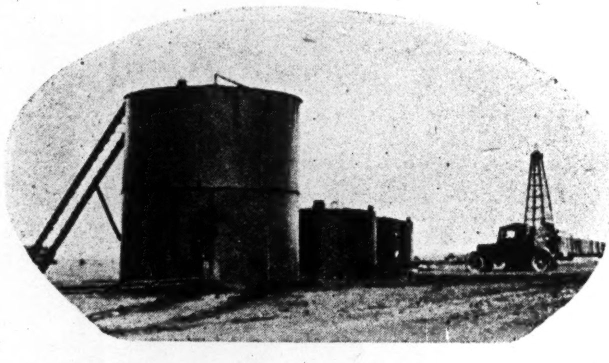
Six More Wells to Be Drilled This Year.
Lease in Montana in Heart of Producing Area.
Lease in Turner Valley Adjoining Mid-West Well.
It's Your Opportunity to Get in Oil in Right Way.

You can share in this successful venture if you act at once

The success of Ellis Oils, Limited, under the present management, has been of an impressive nature. It has brought the Company greater opportunity in other fields and they have acquired the North Half of the South Half of Legal Subdivisions 3 and 4 in Section 24, Township 20, Range 3, West of the 5th Meridian. This property comprises 20 acres and is exceptionally favorably located in Turner Valley, the wonder field of the world. This opportunity and the desire to drill immediately to the great wealth producing horizon on this property is the cause of the increase in capitalization and of the stock issue now offered.

The Company is in a sound position. It is now enlarging its field of operations, and the public is offered a chance to share in the Company's good fortune to the extent of $150,000. The issue will be quickly absorbed, and we trust you will act without delay. Write for our

PROSPECTUS,
It is free on application.



Six large oil storage tanks. Two producing Montana wells. Steady production, regular income. Continuous development. This is the sort of investment in oil which, at its inception, is deprived of its chance to lose. It has no speculative features, excepting as regards the extent of your dividends.

APPLICATION FORM

Send This in Now!

ELLIS OIL CO., LTD.,
207 Leeson-Lineham Block, Calgary.

I hereby send you $....... and apply for .... shares of ELLIS OIL CO., LTD., at $1.00 per share, and agree to take same or such less number as may be allotted to me.

Signed ....
Address ....
Date......... ....

References: Royal Bank of Canada

ELLIS OIL COMPANY LIMITED

207 Leeson & Lineham Block
CALGARY
Mair 3087

Why You Should Buy

BANNER OILS, LIMITED

Shares at $1.00 Par

BECAUSE

The leases were selected by Jos. H. Sinclair, Geologist and Petroleum Engineer, for PRODUCTION of OIL, and not taken for acreage. HIS PREDICTIONS have been proven. He alone advised going to the Dolomite in 1914 for PRODUCTION.

We have no SURFACE RIGHTS to PURCHASE, and Charter, Legal Fees and all preliminary expenses were paid by the Vendors.

BECAUSE

ALL money received will be applied to development of the property.

BECAUSE

We have the most shallow drilling in the field, proven by the old Calgary-Alberta well which reached the Dakota sands at less than 100 feet and had a considerable seepage of Oil at 227 feet. This will mean about 2000 feet to the Dolomite Lime where Royalite 4 and McLeod 2 got production.

IN OTHER WORDS, ONE DOLLAR IN THIS COMPANY EQUALS TWO DOLLARS in THE DEEP DRILLING TERRITORY

WHAT WILL THIS MEAN TO YOU?—QUICKER ACTION AND GREATER VALUE FOR YOUR INVESTMENT

BECAUSE

Our Property adjoins the Imperial Oil and Dingman Leases now being developed by the Imperial Oil Co.

No. 1 Well will be drilled on the adjoining Legal Subdivision to the old Calgary-Alberta Oils Well, with NEBERGALL STEMS, the most modern machinery, insuring a straight hole and eliminating Fishing jobs.

Ask for Engineers' Report. Act now before these shares are off the market.

USE OF APPLICATION FORM BELOW

I herewith make application for...............Shares of Banner Oils Limited at $1.00 per Share (par value). I enclose.............for $..................being payment in full for same. I authorize you to register me as a holder of the said shares and I agree to accept the same. I acknowledge having received a copy of the said Company's Prospectus.

Applicant sign here ....
Address ....

All remittances to be made at par Calgary to

BANNER OILS, LIMITED

604 MACLEAN BLOCK
CALGARY, ALBERTA

THREE DRILLS WILL SOON BE WORKING IN RIBSTONE AREA

Advance Imperial and Ribstone to Test Out New Structure Found by Dr. Hume

Rapid progress is being made by the Advance Oil Company, the Ribstone Oils Ltd., and the Imperial Oil, Limited, in preparing to drill on the new Ribstone-Blackfoot anticline.

The Ribstone-Blackfoot anticline is the structure located some time ago by Dr. G. S. Hume of the Dominion geological survey, who gave a detailed and very favorable report on it. The strike of the anticline is south-west to northeast, crossing the Alberta-Saskatchewan border about 20 miles south of the town of Lloydminster.

The Advance Oil Company has acquired oil rights totalling 160 acres along this anticline, of which 40 acres adjoins the Imperial location, and another forty adjoins the Ribstone Oils location. The drilling site picked by the Advance, says W. D. Lundy, managing director, is on another 80 acres located about midway between the Imperial and Ribstone Oils location and near the apex of the anticline.

The derrick crew has the derrick completed, the casing and machinery are on the ground. The company is drilling this well with a standard cable tool outfit and expect to complete it in about six weeks, as the drilling in this area is easy and comparatively shallow, the first sands being forecast at about 1,400 feet.

Mr. Lundy said the Advance company, however, intended to also push ahead vigorously the work on the new No. 2 well in Turrer Valley.

"The No. 2 Advance in Turner Valley," he said, "is now down 790 feet and have the 15½-inch casing set and cemented at that point. The crew is now drilling through the cement to carry hole on down for the 12½-inch casing."

On the Ribstone- Blackfoot structure, Mr. Lundy said that when he left the Ribstone Oils had their drilling outfit completed to the point where they expected to spud in almost immediately. The Imperial also were rushing work on their camp and derrick location.

PRAIRIES AS FISH PRODUCERS

REGINA.—The value of production of the commercial fisheries of the three prairie provinces and the Yukon Territory in 1925, as reported by the Bureau of Statistics, was $2,380,526, an increase over the preceding year of $307,591. The catch of whitefish amounted to 115,520 cwt., valued at $1,044,852, or 44 per cent. of the total value. Other species caught are as follows: Pickerel, tullibee, trout, pike and salmon.

Expect Vulcan to Come in as Huge Producer of Crude

Lost Tools Cause Serious Delay, Otherwise Well Would be in Now, Confidently States Pres. A. C. Spooner — Making Progress Now

Will the Vulcan well in Turner Valley field, now down 4,890 feet come in as a large crude oil producer?

This is the opinion prevalent in Calgary. A. C. Spooner, president of the company is certain of it. He feels that the drills, now in perfect dolomite formation, are just on the top of a large oil pool.

Vulcan officials have had a hard and trying six weeks. On July 1 a bit was lost in the well. They have been fishing for it ever since. At last accounts it was not free yet, but they were making progress.

"If we had not run into this fishing job, we would have had a big crude well in now," said Mr. Spooner.

The Vulcan well is on a syncline, between two small folds in the valley proper, according to Stanley Davies, late geologist of the Department of the Interior, and now in private practice in Calgary. Everyone seems optimistic in regard to the future of the well, if they get the lost tools out and go deeper.

Mr. Spooner says that they wish to keep the hole clean and therefore are exhausting every effort to remove the offending bit. If they fail they will drill past it and continue the well.

The latest report from Calgary is that the tools have been jarred up about 100 feet from the bottom of the well. Apparently there is still some obstruction whose nature has not been determined which keeps the tools more or less tight fitting in the casing, but steady jarring is bringing them up, and it is only a matter of continuing this work patiently before they are brought to light.

They have not as yet been able to get the whole of the missing string up into the casing, and apparently there is something gripping the bottom of the bit.

RESUME WORK ON PEACE RIVER WELL

Western Provinces Oil is Carrying on Pioneer Effort in North

Another effort is to be made to test out the oil possibilities of the Peace River country. Western Province Oil, with a good following in the west and large holdings in the Peace River country, has resumed its effort on the Victory well, according to John Laycock, Saskatoon, managing director.

The first task was to carry the 10-inch casing to the bottom of the well and the cementing of the 10 and 14 inch is now being done.

Operations have been carried on somewhat cautiously, owing to the blinding gas which is coming from the well, which is somewhat similar to the fumes which have been encountered in some of the wells in Turner Valley. However, when the casing is cemented this difficulty will be, to some extent, overcome and faster time will, no doubt, be made.

This is the only well in Peace River field on which work is being carried on, and great interest is evidenced in its progress, owing to its importance in proving up a portion of this field.

3,000 Feet by New Year

Spooner Oils will start drilling in North Turner Valley soon and expects to have No. 1 well down 3,000 ft. by Jan. 1. No. 2 well wil lbe started as soon as the large tools are released by No. 1.

Ranchmen's Will Test Out New Oil Structure

Ranchmen's Oil and Gas will soon be drilling. It purchased the standard rig and tools, formerly used on the Peace River Community well, which was drilled to a depth of 1,400 feet. The rig is new except for the little work done in the northern well. It will require about three weeks to erect the derrick and rig up. Everything is in readiness on the site, the cellar being dug and the camp up. Gordon Campbell, discoverer of the Gordon Campbell Dome, on which the well is located, believes that only a small amount of gas should be struck, while the prospects for a big crude oil production are regarded as being highly promising. Mr. Campbell is of the opinion that any gas can be cased off.

The Ranchmen's site is interesting from several standpoints. It is the farthest east of any well now being drilled in the Calgary district, and is situated on one of the numerous flat prairie structures in Alberta.

Anglo-Dutch to Sink Well Near McLeod 2

Anglo-Dutch Oils Ltd. will drill on the property of the Capitol Oil & Natural Gas Co., on a royalty basis.

The well will be located approximately half a mile from the Illinois-Alberta well and half way between the Illinois and McLeod No. 2.

Practical oil men claim that less gas and more crude oil should be struck in that section than nearer the anticline. The oil should be a very high grade.

The company is contemplating having the well drilled by contract, while a plan to drill in the Sheep Creek and Wainwright fields on a contract basis, is also under consideration.

FIRST INDEPENDENT REFINER

J. L. MERCER, managing director of the Edmonton Refinery, which was built in the Alberta capital and which is meeting with much success. The refinery purchases the Wainwright oil, and imports additional crude from Montana. The company is now pushing ahead on a distributing subsidiary.

Ellis Oil, With Wells in Montana, to Drill on Turner Valley Site

A drilling program of seven more wells on its property in the Kevin-Sunburst field is being undertaken by the Ellis Oils, Ltd. This work will take approximately six months.

The company also has 20 acres of the Spooner lease in the Turner Valley, where a location will be selected later.

The standard rig to be used on the Montana well is ready to be moved on the drilling site of a quarter section acquired by Ellis Oils, Ltd., in December last, and the company has already brought two wells into steady production. Geologists' reports on this holding indicate that oil should be obtained on every drilling site. The company has full equipment on the lease, including tankage, pipe lines, buildings, power plant, as well as a standard drilling rig.

It is estimated that the cost of each of these Montana wells will be $7,500, this figure being based on the actual cost of wells already completed.

The original capital of the company was 100,000 shares of $1 par value, but in order to undertake the development in the Turner Valley the authorized capitalization has been increased by supplementary letters patent to 500,000 shares without nominal or par value.

Directors of Ellis Oils are: Robert Wilkinson, president; A. G. Spooner (president of Vulcan Oils, Ltd.,) vice-president; Albert A. Dick, Joseph A. McGinnes, R. A. Wilderman, Blackie; L. A. Newman, Gladys, and E. C. Snyder.

NEAR PURE LIMESTONE

The analysis of the Vulcan Dolomite limestone, 40 feet in, where the drilling bit is now stuck, is calcium carbonate 59.50, magnesium carbonate 33.54, or a total of 93.04. They expect 100 ft. more will bring in a big well.

WILL DRILL NEAR NOTED GAS SEEPAGE

Near Banner Site—Gas Coming Up Through Water Can be Lighted

C. E. Roth, who is interested in oil drilling operations in Redcliff and Medicine Hat district, is making preparations to drill in Redcliffe and operations would be commenced just as soon as machinery and equipment could be placed on the ground.

He stated that the information and experience gained through putting down the first hole in Medicine Hat only served to convince him more strongly that oil will eventually be found in this district.

Banner Oils to Drill on Bar U Ranch Site

Good progress is being made with the Banners Oils' financing campaign, according to A. O. Mabee, president, and negotiations are under way for placing the balance of the issue on the market in the east, says Calgary Oil Examiner.

The leases of the Banner are on the Sinclair structure, selected by Josepr H. Sinclair, noted American geologist. Mr. Sinclair, in 1914, advised going to the dolomite for production, a course which has since given such wonderful results at Royalite No. 4 and McLeod No. 2.

The company has no surface rights to buy, as the drilling site is on the Bar U Ranch, on land leased from the government.

It is estimated that the Banner should reach the dolomite at approximately 2,000 feet. The company's property adjoins the Imperial and Dingman leases now being developed by the Imperial Oil Co.

CANADA'S WIRE SERVICES

MONTREAL.—Of all the countries of the world for which statistics are available, Canada stands first in the number of miles of telephone and telegraph wire per 100 of population. The figures as of January 1, 1925, are 3.4 miles per 100 of population. Next to the United States, Canada also leads all other countries in the number of telephones per 100 of population.

SEAMLESS CASING HAS RUN

Seamless casing for oil well is ousting the Canadian lap-weld in the Alberta oil fields. Drillers say the seamless is much stronger and the drawback on the duty makes the prices about the same.

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A Fair Chance—A Square Chance

TO CASH IN WITH A BIG WELL

"In the middle of the famous Turner Valley Oilfield"

The Mid-Valley Oil Co., Ltd.

From Calgary Daily Herald, July 5, 1926.

MID-VALLEY CREW COMMENCES WORK ON CO. LOCATION

Another New Well to be Added Shortly to Score Now Actively Drilling

SITE MILE SOUTHEAST OF ROYALITE NO. 4

Derrick Timbers En Route, First Shipments of Machinery Are Arriving

Another new well will soon be added to the score of those actively drilling in Turner Valley, as a crew began work Saturday morning preparing the site of the Mid-Valley Company for the construction of the derrick.

The Mid-Valley outfit will go in about a mile southeast of Royalite No. 4 on legal subdivision 12, section 5, township 20, range 2, west of the 5th meridian. Derrick timbers for the derrick are en route and will be transshipped to the location at once and no time lost in constructing the derrick.

The first shipments of machinery are already arriving on the ground, and work of rigging the well will commence as soon as the derrick is complete. The latest and heaviest type of cable tool machinery will be used in drilling this well which is largely financed by Montreal, Toronto and other eastern capital.

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LOCATION

Legal Sub-division 12—Section 5—Township 20—Range 2— West 5th M.

"In the middle of the proven area close to Royalite and McLeod"

AFTER MOST CAREFUL INVESTIGATION

We are fully convinced that there is no other company operating in the Turner Valley Oilfield, apart from the Imperial Oil Ltd., which has as strong a body of shareholders behind it as has the Mid-Valley Oil Co. Ltd., and the Executive of this Company has already proved itself to be a very satisfactory and capable one.

The field operations of this Company are under the direct personal supervision of Wm. E. Robinson, B.A., Sc., C.E., whose opinion is widely sought in connection with Alberta Oil Structures.

NOT ONE SHAREHOLDER

in the Mid-Valley Oil Co. Ltd. has to date sold any of his holdings in the Company, therefore when their No. 1 Well is finished we can look for very high quotations on these shares.

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I enclose herewith $.............., being one-half the purchase price, and agree to pay the balance 25% in thirty days and 25% in sixty days from date. In consideration for this order I am to have the right to take up at par $1.00 per share an amount equal to 50% of this order within ninety days from this date.

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MARLAND ADVENT ON HUDSON'S BAY LANDS IMPORTANT

Large Crew of Geologists Will Study Prairies' Oil Chances

DRILL FIFTY WELLS

Terms of Contract Involves Rights on Close to Two Million Acres

One of the most significant of recent developments in the Prairie Oil fields has been the taking over of the oil right of close to 2,000,000 acres of land of the Hudson's Bay Co. by the Marland Oil. This company, many believe, is acting for the Dutch-Shell, of England, and this report aroused no little interest.

The Marland people evidently mean business. The announcement was hardly out before the Marland people had 14 men in the field and had launched a geological reconnaissance of the three prairie provinces.

It is stated, unofficially, that one of the terms of the deal with the Hudson's Bay Co. is that the Marland people must drill 50 wells on the lands taken over, next year.

Will Take Years

It is stated that the survey work is not being confined to Hudson's Bay property, but will include any and every likely looking locality. This investigation is no hurry up undertaking, but a systematic study of conditions in the prairies that will take several years to complete.

G. M. Ruby, chief geologist in charge of the western Canada survey, states that no development work will be undertaken by the company this year.

"We have come to Canada with an open mind on the question of the oil possibilities here," he said, "and any development work will depend upon our findings and reports."

The Marland part includes: Dr. W. A. J. M. Vanwaterschoot Vander-Gracht, vice-president of the Marland Oil Co.; Mr. Ruby; M. G. Gulley, the personal scout of E. W. Marland; E. V. Whitwell; J. H. Vander-Gracht; B. F. Hake; E. C. Parker; H. S. Bryant; R. Holloman; C. B. Wells; R. McNeely; D. Powers; W. F. Howell, the company's expert from the Kevin-Sunburst field, and C. G. Willis, assistant to Dr. Vander-Gracht.

Speaking of United States operators coming to Canada, Mr. Ruby said that the duties and sales tax on drilling machinery had the effect of keeping companies away from the Dominion. He expressed the opinion that a country needing development work as bad as Canada could not afford to penalize those who were anxious to test out the country's oil fields.

"So far," said Mr. Ruby, "we have just been getting a line on the general geology of Western Canada. We have gone to the Dominion geological survey for all the information they can give us, and have been gratified by the immense amount of material they have furnished us from their studies of the country. We are going into this with a view to putting our parties out to work over various areas during the present year.

Are Enthusiastic

"On the result of their studies will depend how much further we will go into the details the following year; that is, whether we will maintain large or small parties in the various localities where it appears there may be prospective oil producing structures. All I can say is that the Dominion officials who have provided us with information are highly enthusiastic over the outlook."

Mr. Ruby said it would be a mistake to try to draw analogies between any of the United States producing oil fields and the structures on the Canadian.

"It is true," he said, "that in many cases the same general formations exist on both sides of the line, but they all differ in various important factors, just as every oil field in the United States is different from all the others. Each one is a problem in itself that requires special consideration and study."

Four parties will operate on the prairies, there being two geologists in each party, with the necessary assistants.

The Hudson's Bay Co. original land holdings in the West averaged almost two sections in every township and the company retains a large portion of this land with minerals and oil and gas rights so that the task of prospecting them for oil developments is one that will require several years of the most intensive kind of study.

J. P. Morgan Co. is closely associated with Marland Oil.

Second Producer Should Create Confident Feeling

We have heard it frequently stated by oil authorities that another well like Royalite No. 4 would interest outside capital to the extent of bringing millions into Alberta for development. Now that McLeod No. 2 is, at least, a good second to the world famous gasser, we may expect early indications that this prediction will be fulfilled, says Alberta Oil Examiner, Calgary.

It must be borne in mind that until actual production figures are available from the new gusher the investing public in other parts of Canada is not likely to develop phenomenal enthusiasm. As long as the figures from the well are confined to estimates it will take some time for investors to assimilate what has really happened in the Turner Valley.

Already influences are at work which will ultimately lift stock prices to higher levels, so that issues disposed of during the spring boom will be back to par and over. Then the companies with issues on the market should find it comparatively easy to sell out. The first important result of the McLeod strike was a number of substantial orders for the company's stock from coast and eastern points. These took the floating shares off the market and away from Calgary where they will be held for dividends.

Great West Well Nears Interesting Royalite Level

Great West drillers are now pounding away through a very hard formation at 3,400 feet and will soon set the longest string of 10-inch casing in the Turner Valley field.

The gas flow struck recently estimated at a half million feet a day, is continuing.

There are 1,300 feet of open hole in the well at present, so that it is not thought that it will be possible to go more than another 100 or 150 feet before setting the casing.

The present hard formation corresponds to that in which Royalite No. 4 got a flow of 7,000,000 feet of gas, so interesting developments may be expected at any time. The Great West is on the same side of the anticline as the Royalite gasser, so it is likely to give results more like those at the Royalite than was the case at McLeod No. 2.

Stockmen Co. Drill Wainwright Field

Stockmen Oils has launched its drilling campaign in Turner Valley. It is the first hole to get going in the northwest quarter of the valley, and possesses on this account some features of unusual interest. The well is located on the upper portion of legal subdivision 2, the company holding both legal subdivisions 1 and 2, of section 27, township 20, range 3, west of the 5th meridian.

This location is near the flanking hills on the west side of Turner Valley, about two and a half miles northwest of Royalite No. 4, and just north of the diagonal cross-fault, which crosses the valley through the southeast corner of section 27 and the northwest corner of section 26.

The well will thus test out an entirely new area in the valley, and likewise demonstrate several theories regarding the effect of this cross-fault on oil accumulation. Upon the drilling of this well will undoubtedly depend much further development in the immediate area.

The well is equipped with one of the heaviest cable tool drilling outfits ever brought into Turner Valley, has a full supply of all sizes of tools in pairs, and casing, and is starting with a 24-in. hole to carry down stove-pipe casing to shut off surface water, when the hole will be continued with 20-in. casing.

TURNER VALLEY OIL EXPLORATION VERY INTENSIVE—CLEAN

(Continued from page 17

job to carry on a fishing operation at such a tremendous depth, but with the analysis of the sands showing such a perfect condition, the desire is to get the lost bit out, if at all possible. Failing this the drillers can drill past the wedged bit and continue the hole, which may have been undertaken since the writer had a last report, about a week ago. The Vulcon Co. has had much encouragement in its drilling, encountering a great deal of gas and considerable crude oil.

DALHOUSIE WILL RESUME 4 WELLS

Imperial Subsidiary Has Had Hard Luck With its Holes

It should not be long before Dalhousie Oil, a subsidiary of Royalite, itself a subsidiary of Imperial Oil, will have the drills working in its four Turner Valley wells. These have been held up for some time for one reason or another.

New Dalhousie No. 5 well, which is located between the Royalite No. 6 and the group of wells in south Turner Valley, comprising the Dallas, Home and Advance, is now making headway after getting all top water shut off. Dalhousie No. 5 reported a depth of 700 feet and drilling steadily to carry down hole for the 15½-inch casing.

At the No. 1 Dalhousie, located about 400 yards north of the Royalite No. 5 well, the crew have abandoned efforts to fish out the lost bit located at the bottom of the hole at 3,546 feet, and began Saturday morning trying to drill past the tool. While a tedious operation, there is no reason why this effort should not be successful as this bit was drilled by some time ago and shoved into the wall of the well. Later, it apparently dropped into the well and fell to the bottom but could not be grappled.

At the No. 3 Dalhousie, located about 400 yards east of the Vulcan, where the crew have been going through a long job of fishing out the old 6¼-in. casing from the hole, they think they have it all clear now and should be ready in a day or two to run the new string of seamless 6¼-in. pipe when drilling will be resumed.

British Dominion Has Slight Gas Seepage

British Dominion well will soon be ready to set the 15½-inch casing. There is a streak of caving formation around 1,300 feet in the part of the field in which the well is situated and an effort will be made to get the casing past this point, which will give the well one of the longest 15½-inch strings in the field. The casing will be kept close behind the bit and lowered past any cavings to solid formation. President J. H. Goodwin reports that the slight gas seepage struck two weeks ago just below the 300-foot level, is continuing. This showing is similar to a small amount of gas encountered at practically the same level in the Dingman No. 1 well.

British Engineer for the Ribstone Structure

Ribstone Oils, Ltd., has appointed Wm. Calder, of London, England, petroleum engineer, as its field superintendent in the developing of its holdings on the Ribstone Blackfoot structure. Mr. Calder is a member of the Institute of Mining Engineers of England, and of the Institute of Petroleum Technologists. He has had 26 years' experience in developing and managing oil companies in different parts of the world, including Russia, Mexico, Trinidad and Roumania, and while in Mexico was in charge of the prospecting and developing of the oil properties opened by Messrs. S. Pearson and Sons, Limited, and ultimately transferred by that company to the Mexican Eagle Oil.

The latest commission undertaken by Mr. Calder was the developing of the Kern-Trinidad Oil Co. properties in Trinidad, where oil properties of this company were opened up and developed in record time for such work in the tropics.

Strictly a Royalty Company---Drill No Wells---Own No Leases---Do Not Operate Any Properties---No Indebtedness, Bonded, Bank or Otherwise

IMPERIAL ROYALTIES CO.

(A Common Law Trust)

CAPITALIZATION

	Authorized	Issued
12 p. c. Participating Preferred Shares (Par Value $1.00)	$3,000,000	$1,602,105
Common Shares (No Par Value)	3,000,000	1,602,105 shares

OFFICERS AND TRUSTEES

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H. O. BLAND, Tulsa, Oklahoma.
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Imperial Is Over Six Years Old.

Owns Royalty Interests in 150 Properties, 9,059.36 Acres, 737 Wells

Has Paid to Shareholders 70 Cash Dividends, Totaling 125½ p. c.

BUSINESS—The business of the Company is confined strictly to oil royalties. None of its capital funds or royalty income is or will be used in drilling wells, or operating properties, or in the purchase of leases.

ORGANIZATION—Imperial Royalties Company was organized in April, 1920, by the present Trustees. The Company operates under a Declaration of Trust, on file in the office of the Recorder of Deeds, Tulsa County, Okla. The operating office is located in the Mayo Building, Tulsa, Okla., and the executive offices are in the Sheidley Building, Kansas City, Mo. At the time of organization the Company owned three royalty interests.

PROPERTIES—At the present time Imperial owns and receives its revenues from royalty interests in 150 properties, covering 9,059.36 acres, having thereon 737 producing wells. These properties are located in Oklahoma, Texas, Kansas, Louisiana and Arkansas.

DIVIDENDS—The Company has paid to date 70 monthly cash dividends, totalling 125½%. This is an average dividend record of approximately 20% annually for six years. In addition to the usual 1½% monthly disbursements, several extra dividends have been paid. Dividends are payable on the thirtieth of each month — to shareholders of record of twenty-fifth of the same month.

PREFERENCES—The Preferred shares are guaranteed first participation in earnings up to not less than 12%. No dividends may be paid on the Common until the Preferred has been paid this amount. The Preferred shares are participating and noncallable.

NO INDEBTEDNESS—The Company owns its royalty interests outright; does not owe any money on deferred property payments; has no mortgage or bank or bonded indebtedness. Imperial's plan of operation and method of conduct of its business is such that practically all risk is eliminated, as is also any chance of the Company becoming involved.

EFFICIENT OPERATION—The major portion of properties in which Imperial owns a royalty interest are operated by Standard Oil, or subsidiaries thereof, or large independent companies. This insures efficient operation and management of our royalties.

NO OPERATING EXPENSE—Being strictly an owner of oil royalties, and with no intention of drilling wells or operating oil properties, Imperial will never find it necessary to maintain an operating or field organization. The Company will never be burdened with heavy overhead expense. Nor will increased operating costs "eat up" our income from sale of our royalty oil, as the royalty interest bears no part of the expense of operating the property.

DOMINANT POSITION—Imperial is generally recognized as a sound and seasoned enterprise. It occupies a dominant position among all companies of a similar character in the Mid-Continent field, and is a larger owner of royalty interests in the Mid-Continent field than any other royalties company. (And the Mid-Continent field, as is well known, is not only the largest oil-producing region in the world, but produces the largest quantity of high-gravity crude.)

SAFETY—Producing royalties are quite generally regarded as the safest part of the oil industry, from an investment standpoint. Any banker in the Mid-Continent field, conversant with the oil business, or any oil operator, will confirm this statement. Imperial shareholders participate in the earnings of a hundred different producing royalties. The ownership of such a large number of royalty interests is a safeguard to the investor, as any possible reduced earnings of one royalty may be made up by the larger earnings of the many other royalties, as a result of the drilling by the operating companies of additional wells on the properties in which Imperial owns a royalty interest. Many of the Company's properties are only partially developed.

IMPERIAL ROYALTIES COMPANY is engaged, solely, in what is conceded to be the safest and best part of the oil industry. It owns its properties outright, with no obligations. Assumes none of the risks of the operating or drilling company. The management endeavors to pursue at all times a safe and conservative policy, but an energetic one. The Company is rapidly expanding, and has a successful dividend record of six years.

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Alberta Has Arrived

BUY MADISON OIL'S LIMITED

Turner Valley, Alberta, has proven itself as an oil field. It can no longer be described as having but a single producing well.

Madison Oil's Limited, shares are being taken up in all parts of the United States and Canada by people who investigate before buying and who know that the geological position of this property (in the same anticline as McLeod No. 4) has the same potential prospects and is considered by geologists as most favorable for oil production. Drilling will shortly commence. A limited number of shares offered at $1.00 par.

Wire just received from Ketchem, Mgr. Kirvin State Bank: Madison well on strange lease has started flowing oil over the top. This refers to the Montana well of Madison Oils.

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WILD GAS WELLS TELL OF PRESSURE NATURE STORED UP

Many Texas Wells Have Blown in Suddenly and Wrecked Themselves

DANGER OF FIRE

Royalite in Turner Valley Burned Couple of Weeks — McLeod Uses Live Steam

Calgary oil field, Turner Valley, has two large wet gas wells, Royalite 4 and McLeod 2. They have tremendous pressure, so much so that it is doubtful if either will ever be completely harnessed so long as the present pressure is maintained. They must be kept running. Because of their pressure, Turner Valley wells are much different from the great gassers of the southern states that one hears about. The Oil Weekly, of Houston, Texas, recently touched on these. It said:

"The gas resources of southwest Texas may be most forcefully and vividly brought to the mind of the reader by an account of various wells, which, by reason of their enormous gas pressure, have escaped from control, and have run wild, forming immense craters, or burning for weeks.

"A wild gas well is one of the most terrifying examples of the stupendous energy of the gas pressure, imprisoned for endless geologic ages beneath the surface of the earth. It resembles nothing so much as a volcano in miniature, or a magnified geyser. It may come in entirely without warning, or with perhaps only a few premonitory growls and deadened rumblings. Suddenly the tools are blown out of the hole and thrown high into the air, as tangled, twisted masses of steel. Follows a funnel-shaped column of gas, hurling mud and rocks hundreds of feet into the sky, and emitting a whistling, deafening roar that is audible for miles. The gas may hollow out a huge crater, a hundred or two feet in diameter and a hundred feet deep, containing a boiling, bubbling, seething caldron of gas, mud and water in which derrick and boiler fall and disappear from sight. Or the gas may become ignited by friction with the connections, and burn as a gigantic natural torch of indescribable immensity and grandeur, visible at night for thirty or forty miles.

Big Well Ruined

"Never has the enormous strength of gas pressure, and the consequent magnitude of the buried gas resources, been better illustrated than by certain famous wild gassers of southwest Texas.

"The White Point gas field, in San Patricio and Nueces counties, on Nueces Bay, near Corpus Christi, has furnished several of the most notable examples of the formation of gas craters ever recorded in the history of the oil industry. The majority of these craters were formed about ten years ago.

"Following is a contemporary description of the actions of White Point Oil and Gas Co. No. 2, which ran wild in November, 1914, releasing without control a gas flow of 50,000,000 cubic feet per day from a depth of 2,255 feet:

". . . 'The well broke in on the drillers unexpectedly Monday morning, November 11. The crew had pulled out the night before to put on a new bit and were going back in the hole the next morning with four-inch drill stem, and had in 1,500 feet when the well blew out, tearing away the crown block and portions of the derrick, and bringing out large boulders, and pieces of shale and mud with a small quantity of water. The drill stem was thrown several hundred feet in the air, and the bottom of the pipe with the bit on it struck the ground 600 feet from the hole, the balance of the stem being twisted and scattered around on the ground from 100 to 300 feet from the rig.

Roar Heard Seven Miles

"'The roar of the escaping gas could be plainly heard in Corpus Christi, seven miles distant, and the column of vapor could be seen five miles away. After blowing steadily for three days, it choked for a couple of hours, then came back again, blowing out eight joints of six-inch casing and opening up gas blow-outs all along the water's edge in Nueces Bay at distances of from 150 to 1,000 feet from the well. This continued for a couple of days, when the formation on top caved, and the derrick, machinery and casing, several thousand dollars' worth of material, went into the hole; the boiler being all that was saved. The hole is a total loss.

"'It has formed a crater 100 feet across, and is steadily working toward the bluff, 200 feet distant. At the present rate, it will soon cave to the water's edge and then pour into the bay.'

"The Callihan field, McMullen county, in March, 1924, gave a remarkable illustration of a wild gas well. Fisher No. 1, in the north extension of the field, north of Frio River, escaped from control, and ran wild for some time, from the shallow depth of approximately 700 feet, until it had spent its force and subsided. For a number of days it spouted gas, water, mud, and blue sand, from a crater about sixty feet in diameter, coating the trees and the soil for a distance of fifty yards from the lips of the crater with material blown out of the well.

"In July, 1924, No. 4 Benavides, in Duval county, ran wild for five days through six-inch casing. On July 23, in attempting to remove an old gate-valve, a small spark ignited the gas.

"The gasser burned steadily about three weeks, when the blaze was extinguished by means of a 'snuffer' made from 14-inch pipe, after a previous attempt to put out the flames, by the detonation of a 50-pound charge of dynamite opposite the base of the gas column, had failed.

"This well was one of the most spectacular burning gas wells ever seen in Texas. There was no oil whatever with the gas; in daytime, the mammoth funnel of flame was as clear and smokeless as a burning jet in a chemistry laboratory.

"At night the scene was magnificent beyond imagination. The mesquite prairies were illuminated brightly for a mile, with weird, flickering half-shadows cast yet further. In the centre of the great circle of illumination rose the roaring, screaming column of flame. Issuing from the casing-mouth was a quivering, perpendicular stream of unignited gas, 15 feet high, a phosphorescent green, and constricted into nodes at intervals of a foot. Joining this slender column was a swelling vase 40 feet in height, of partially burned gas of delicate tints of pink, blue, and purple. Above this various colored vase reared for a hundred feet immense, rolling, bursting billows of yellow flame. The reflection of the light from the burning gasser in the sky was plainly visible in Laredo, 50 miles distant."

Many Alberta gas wells have caught fire. Royalite 4 burned a couple of weeks. It is this fact that led the McLeod people to constantly play live steam on the control head while the drillers are working.

Will Drill Second Hole Near Medicine Hat City

Banner Oils, a new Calgary oil venture, has leases on the Sinclair structure, located in 1914.

It is estimated that the Banner should reach the dolomite at approximately 2,000 feet. The company's property adjoins the Imperial and Dingman leases now being developed by the Imperial Oil Co. No. 1 Banner well will be drilled on the subdivision adjoining the site of the old Calgary-Alberta well. In the latter there was a considerable showing of oil at the shallow depth of 227 feet. The drilling site is one mile west of one of the most prominent gas seepages in the foothills district, along Bull Creek, where the bubbles rise from the bottom of the creek and keep the ice open in winter. When a lighted match is held above the surface of the water where the bubbles are bursting, they break into jets of flame several inches high.

MILLIONS OF FEET OF GAS WASTED

This Makes Drillers Angry at High Charge to Carry on Exploration

Drillers and operators in Turner Valley oil field are critical of the Royalite Co., the Imperial Oil subsidiary, which they claim is gouging them on the charge for gas used for drilling purposes. The charge per rig of $20 a day, $15 for the boiler and $5 for the forge, drillers claim is extravagant, in as much as there are millions of feet of gas going to waste, being burned, as there is no market for it, and the companies run their own pipe lines from the Royalite waste gas pipe line. Even Dalhousie, a Royalite subsidiary, is paying the same rate.

Considerable feeling has been aroused over these charges. Some of the drillers say they were assured that they would get all the gas they wanted for nothing.

This is bound to add to the agitation going on as to how long the government is going to allow the gas to be wasted. Perhaps the first step towards a greater gas consumption in Calgary is the hearing of the utilities board into the question of new rates for Calgary. Many are agitating to have the rate lowered sufficiently to make the gas attractive for domestic heating and industrial purposes other than those now using it.

Royalite 4 has been producing 19-000,000 ft. of gas every 24 hours and now McLeod No. 2 is producing around 12,500,000. Calgary is using around 10,000,000 ft. and the balance, out side what a few of the drillers are using, is being burnt in Turner Valley.

Mid-Valley Financing is Coming Along Excellently

Part of the derrick timbers of the Mid-Valley well are on the ground as well as some of the equipment. The cellar has been completed. Managing Director O'Reilly has been carrying on an aggressive campaign and the finances of the company are rounding into good shape. The company is sponsored by strong eastern and Calgary interests and is located in an interesting part of Turner Valley.

McLEOD TO EARN $2,000 PER DAY

Turner Valley Producer Has Much Wetter Gas Than Royalite Well

McLeod No. 2 well, producing 10 to 12 million feet of gas daily, has been earning at the rate of $320 per day at intervals between fishing operations. The Royalite Oil Co. is paying $4 per barrel for the high grade naphtha from the valley's newest gasser, under a temporary agreement. The oil is passed through a separator and pumped through the Royalite pipeline to the Imperial refinery at Calgary.

It is conservatively estimated that the well will earn from $1,500 to $2,000 per day when either a four or six-inch pipeline with drips and two separators have been rigged up, says Alberta Oil Examiner.

On the basis of the 12-hour run during the nights, while fishing operations have been under way during the day, the well has been producing at the rate of 80 barrels per day under the present make-shift arrangements.

When the drilling tools were loosened recently the well was flowing at the rate of 17,000,000 cubic feet per day. Geo. Sammons, oil technologist in charge of drilling operations, is confident that the well can be made to produce this amount.

As the gas from McLeod well is noticeably wetter than that at the Royalite oil men are certain that 17 million feet from the McLeod will equal the flow of from 19 to 21 million at the Royalite No. 4.

The Royalite averaged 504 barrels per day in the twelve months ending June 30, the total production being 184,000 barrels for that period.

If the McLeod equals the Royalite, as the experts say, its earnings at $4 per barrel will amount to $736,000 yearly, or just over $2,000 per day.

One of the factors entering into consideration in connection with the production up to date at the McLeod is the fact that the oil production from gassers is lower in the summer than in winter, the Royalite production varying around 25 barrels per day between extremes of hot and cold temperatures.

USE DIAMOND DRILL TO COMBAT GAS PRESSURE

(Continued from page 17)

high pressure, will take care of from 25,000 to 60,000 barrels of oil production per day. Turner Valley is certainly a field of high pressure, so one can imagine what to look for should the diamond drill reach the oil area, after passing through the wet gas formations.

When high pressures of oil or gas have been encountered, it is possible to continue drilling through the packing box with pressure under perfect control, and the rods can be removed, regardless of the pressure. This is where a diamond drill has the advantage over the rotary, as the rotary cannot control the pressure in the same way, due to the fact that outside couplings are used.

When a core is taken from the Illinois-Alberta well, it will then be possible to see definitely how the limestone formation lies as to its slanting position. Some drillers now think the limestone is almost flat, while others think it lies on about a 20-degree slant. In any event, the first core taken out of the Illinois will prove this and the information will be of much help to the geologists in their scientific search for underground information.

Some people are of the opinion that diamond drilling is an experiment in oil well drilling. It is far from such, as these drills have been at work for many years. In many cases, abandoned wells have been taken over by diamond drills and completed. Some wells as deep as 6,000 feet have been finished with a diamond, so that any local company deciding to do away with standard tools at any depth and instal a diamond drill are not doing something unheard of.

At present, the Reserve Oils at Morley are using a diamond drill under the supervision of Jack Norman. They are making a 4½-inch hole and are taking out a 2½-inch core. They have found no difficulty in getting down with it, and have, up to date, penetrated all kinds of different formations. All the cores have been kept and at present about 1,600 feet of underground structure can be seen at the site of the well, revealing just what is underneath the surface. These cores in some instances show that bands of oil saturated formations have been passed through, the oil oozing out of the cores when brought to the surface and allowed to be exposed to the air.

A formation may be drilled through for some few feet before any sign of oil is noticed. Then only by watching the water as it comes up after having been pumped to the bottom and used to flush up the grindings, are you able to determine an oil bearing formation being passed through. It requires considerable rock pressure in these wells to force oil or gas out of the formations against the water pressure that is necessary to carry against the walls of the well. Pressure to a considerable extent must be carried down through the drilling stem to the bottom of the hole in order to keep the bottom cleaned out so as to enable the diamonds to cut efficiently. As the result of this pressure, plus the weight of the water itself, it may be seen that to overcome this and permit oil to rise to the top of the hole, the pressure from the formations must be much greater than the water column or the fluid or gas will not find a free entrance into the hole and production encountered. In the case of fields where pressure is low, the danger of passing through oil-bearing sands is much greater than in fields where pressure runs anywhere from 200 to 2,000 pounds to the square inch. In the case of Turner Valley, the high pressure there will make it practically impossible for any kind of a drill, whether it be rotary or diamond, to pass through an oil or gas bearing sand without it being almost instantly known.

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Much emphasis is laid upon the fortunes made in successful oil speculation — the element of risk is great and the rewards are big if fortune favors.

History shows also that those who place their funds in well-sponsored refining operations and distributing organizations, the industrial and marketing branches of the oil industry, have, over a period of years, garnered tremendous profits — yet the risk has been negligible. — The reward to the producers from a barrel of oil may fluctuate widely, but the refiner is always entitled to a legitimate profit or charge for his operation, and the same with the distributor.

Distributing Gasoline Highly Profitable

Eastern Canada has numerous companies marketing gasoline from service stations that are highly successful — that are paying substantial dividends — and which give promise of continuing to do so. Canadian Oil is one of these. The new Supertest Co., of London, is an example of the success which such concerns are meeting with.

The Star Oil, Winnipeg, is another, while on the Prairies the organization of the Puritan Oil Co., at Regina, a product of only a couple of years' effort, shows the possibilities of a well-directed distributing organization.

Standing out in the forefront of all is Imperial Oil, which, not so many years ago, had a very humble birth in London, Ont. Alberta Refineries is taking the crude oil of Wainwright field and treating it in its plant at Edmonton, while Refineries Distributors are distributing this product through an ever increasing number of "Pep" gas stations throughout Alberta.

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CARRYING ON IN WAINWRIGHT OVER WIDENING AREA

Big Deal Pending on Acreage of British Petroleums in Field

DRILLERS ARE ACTIVE

Emerald Well May be Deepened and Shot — Many Outfits Preparing to Drill

From Our Own Correspondent.

WAINWRIGHT. — While developments in the Wainwright oil field are probably not quite as lively as those concerned would have wished, or had anticipated, nevertheless active work is steadily being carried on, on an ever-inreasing scale, and valuable information being gleaned with each new hole put down.

The British Petroleums, Ltd., the largest holders in the field, while not actively engaged in drilling this summer, owing to finances, state that arrangements are pending whereby an important announcement may be looked for at any time. It is understood that Californian interests contemplate their holdings with intense interest, and to this end have had a geologist going thoroughly over the structure here for some months. This gentleman, Vernon King, has lately returned to make his report to headquarters, and, if found satisfactory, development work on a large scale will be undertaken. From information gleaned it would appear that evidences in view here portend to make this gentleman's report highly interesting. The British Petroleum heavy-duty rotary equipment which is in the field here has been engaged during the summer in drilling the Edmonton-Wainwright well, which was brought-in as a, conservatively estimated, 150-barrell well. Tanks are now being erected at this property to take care of production. From actual tests, with this property on the pump, indications are that the actual capacity will be considerably above the estimate.

May Shoot the Emerald

The Emerald Oil Company's well, which was drilled by this same equipment, while showing highly interesting prospects prior to the setting of casing, did not come up to expectations when finally drilled-in. It is the general concensus of opinion of drillers in the field that the sands penetrated, owing to having an extremely heavy glacial drift above them at that particular point, are so thoroughly packed that they hesitate to give up their oil saturation at the required speed to make of this a good producer. As a consequence, the shooting of this hole has been considered, but, owing to possible damage to the casing, it is understood that this shaft will be put down to greater depths. It is the consistent and profound opinion of all drillers, and most of the geologists who have visited the field, that exceptionally surprising results may be looked for with deep drilling; that is, to a depth of at least 500 feet below where drilling has already penetrated. The usual insertion of the bits has been to the 2,240-foot level and ranging to 2,269, with a 37-foot sand saturation. After standing some days, the Emerald well had 150 feet of oil in the casing on Saturday last.

The Western Consolidated have just reached the sands on their property, which is known as L. S. D. 11 Sec. 30, Twp. 45, range 6, west of the Fourth, with rotary equipment being operated under Drilling Contractor Hugh Campbell and Driller J. P. Cruse. Probably the most highly satisfactory sands yet encountered in the field were cored at 2,219 feet, and a beautiful ten-foot section brought up. Though further coring did not maintain the quality of these sands, it is understood they will set casing on this level for production. The structure encountered by the Western Consolidated differed considerably from that of the Emerald and the Edmonton-Wainwright wells, which it is within a half mile of. In addition to this the structure rose twenty feet in favor of the Western Consolidated, as compared with these other properties. Edmonton, Vancouver and Calgary interests are in the head of the Western Consoliated, A. B. Palmer, of Vancouver, being president.

Others Are Ready

The National Explorations, whose financing is completed in Montreal and Winnipeg, and whose field work will be in charge of Art. Mewburn, now have their drilling equipment on hand and derrick erected on L.S.D. 1 Sect. 30, Twp. 45, Range 6, west of the 4th and expect to get going right away.

British-Wainwright, with head office in Winnipeg, and whose field work will be under the well-known driller Dave Credille, now have their machinery in place and as soon as some boiler alterations are in order will spud-in on L.S.D. 13, Sec. 20, Twp. 45-6-4.

The Wainwright-Dome are financed to go ahead on L.S.D. 7-31-45-6-4. This concern may co-operate with the Anglo-Alberta Oil Company who have a complete equipment in the field and which will also be in charge of D. O. Credille, in testing out a new part of the field prior to commencing operations on their own property where the derrick is already in position. Fort William and Fort Francis capital is behind the Dome together with local interests.

The Anglo-Alberta is an aggressive little concern and has several propositions in sight for their equipment, in addition to work on their own holdings which are just across the road from British Petroleum's 3-B producer.

Oil is being trucked in from the British Petroleum's wells to tank cars on trackage from where they are shipped to the Alberta Refineries at Edmonton.

The Interior Oil Company, who had their equipment burned some months ago, now have a new plant erected but it is not yet under activity.

The Maple Leaf Oil Company, who have a first class gas well at Fabyan and a derrick in place for their No. 2 well. have not yet recommenced work on this site.

Geologists in Field

Fabyan-Petroleums drilling at Fabyan, seven miles from here, are now down 200 feet with rotary equipment in charge of Jim Carrington, a veteran driller of Californian and Mexican fields, and is making good headway. R. E. Williams, of Vancouver, is president.

Geologists and oil operators from foreign territory are continually covering the field here for outside interests and all feel satisfied with the structure and data being gained from day to day and confidently state that the possibilities are tremendous as further drilling is carried out, particularly if inserted to greater depths than that carried on at the present time.

Kling-Del Refineries, who have been financing for the erection of a refinery at Wainwright are now having their siding graded from Canadian National tracks to their property adjoining and intend to have the work of plant erection under way by J. D. Wrather of Amarillo, Texas, within a short time.

Ribstone Oils, drilling 24 and 21 miles north of Chauvin, have two holes under way and making good progress.

The Northwest Company, which is generally considered as the drilling and field end of the Imperial Oil Company, have a full line of drilling equipment on location twelve miles north of Chauvin and have started work on their derrick.

Exploring Wide Area

Unity Valley Oils Ltd., whose site is one mile south of Vera, Sask., on the Canadian National Railway, brought in a 50 barrel production of an estimated Beaume gravity of 32 last week but are going deeper. The above production was brought in at 1,250 feet, which is quite a shallow depth. F. S. Flater is field manager, Charles Richardson is driller, with Calgary as the principal point of financing.

Concentrated development at all points is dependent on finances available, and these are now entering from more distant parts than heretofore and with greater confidence from the fact that the oil is here and spread over a large area. Those who are pioneering in development work are entitled to much credit for the benefit that will be brought to Canada as a whole by the ability which the Dominion will have of not only producing oil for her own use but as an export to the markets of the world.—W. A. Knowles.

TEST OUT ALBERTA'S FLAT OIL STRUCTURES

Only Wainwright Has Been Drilled Below Gas Area, Says Geologist

Gordon Campbell, a Canadian, who played a big part in finding the Kevin-Sunburst oil field in Montana, is now working in Alberta, and wants to see some of the flat structures of that province tested out. Only one of these, Wainwright, has been drilled below the gas level.

"There is generally more oil and less gas in these flat structures, as compared with the more pitching formations such as found in the foothills," remarked Mr. Campbell. "Take the Amarillo field in Texas, for example. The gas is all around the edge of this flat structure, while the greatest amount of oil is found near the centre. The fractures probably carry the gas to the outside of the field. It will be very interesting to see how the flat Alberta structures compare with similar ones across the line."

Mr. Campbell is of the opinion that flat structures are much thinner than those in the foothills. It is estimated that most of the former should reach production under 3,000 feet. He takes exception to the Dowling map, which shows that the Colorado (Benton) shales are from 1,800 to 2,000 feet thick in the eastern part of the province, whereas Mr. Campbell claims that 1,300 feet is nearer the right figure. Away from the mountains and the foothills, he points out, erosion has been greater, while deposition has been much less, both of which factors indicate that most of the flat structures are a great deal thinner than those further west.

Angus Oils May Have Fairly Shallow Drilling

Announcing that plans for immediate development of the company's No. 1 property in north Turner Valley are making progress, officers of the Angus Oils, Limited, have issued a document setting forth in detail the holdings of the company and geologists' report on the first drilling locations selected.

These are legal sub-divisions three and five of section 21, range three, west of the fifth meridian, which lie astride the axis of the anticline continued north-west through the upper end of Turner Valley. This property is in juxtaposition to locations chosen by the Mill City and Queen City Oil Company for their coming developments in Turner Valley. It has been secured from the Turner Valley Oils Limited, which sold the location on which the Queen City Oils is drilling and which retains offsetting acreages.

Depth 3,600 to 4,200 Feet

The best proof of its favorable location is contained in the following extract from the report made by Pearson and Davies on this site as follows:

"Parcel No. 1, legal sub-divisions three and five, section three, township 21, range three, west of the fifth meridian, are located on the crest of the Turner Valley anticline and we consider that the Royalite Dolomite will be encountered in a well drilled on any portion of this property at a depth of from 3,600 to 4,200. We consider that a small production of oil and gas can be secured in the Dakota and Kootenay formations at depths ranging from 1,800 to 3,000 feet.

Extremely Well Located

"We consider that this land is extremely well located on the Turner Valley structure and after a very exhaustive examination, we have concluded that drilling should be as shallow on this area as in any portion of Turner Valley. The structure is such as to give the maximum accumulation and it is our opinion that results secured in drilling will prove the correctness of the surface geological evidence."

In addition to this No. 1 parcel, the Angus Oils, Limited, also controls large acreage in other locations in Turner Valley.

STOCKMEN'S WELL AWAY

The Stockmen's well in the north end of Turner Valley is now well below 200 feet and the last report was that the 20-inch casing would be put down at approximately that level.

Little trouble was encountered with surface water, while no boulders whatever were struck.

Mill City Position Gratifies Shareholders

PROPERTIES BEING PROVEN —COULD DRILL WAINWRIGHT

Mill City Oils shareholders who turned out in good numbers for their annual meeting in Calgary on Tuesday afternoon, gave their approval to all the reports submitted to them and confirmed the director's methods of conducting business by re-electing all to the board who would stand for office again. President John Braseth presented a report on the year's activities, during which time the position of the company had been greatly improved financially. The financial statement which had been prepared by A. L. Stevens was a good one and his balance sheet showed assets of $194,200, which include leases in various fields, stock in British-Wainwright Oils, and the Ferdig Oils stock, and cash account, which was $10,310.

The chair was occupied by John Braseth and during the period of election, O. B. Stockford held the chair; W. Kemp was secretary.

The following directors were elected: John H. Braseth, Ad. McPherson, Matt. P. Johnston, M.P. Boyd and I. W. McArdle.

There was a comprehensive outline of the activities of the company during the year given in a report which was prepared by Mr Braseth, which was read to the meeting. He referred to the difficulties which confronted them at their last annual meeting in the matter of finances and their Montana holdings. He said it had been found necessary to appeal to the shareholders for loans. Sufficient had been received to carry on, and these loans had since been repaid and the company now in good financial standing.

Their Montana difficulties had been solved by an agreement which had been arrived at on June 12, whereby Mill City got 600 shares of Ferdig Oil company's stock, par value $25, which they are informed, is selling considerably above par. Later in the meeting, Mr. Braseth read a letter which had been received from the Ferdig company stating that the monthly dividend check for the month of June would be mailed shortly, amounting to $300.

Mr. Braseth outlined the agreement which had been entered into regarding the sub-leasing of portion of their acreage in 4-19-2w5, which had been terminated because the agreement had not been fulfilled.

On July 10, 1926, G. Bakker entered into a sub-lease agreement for an immediate drilling program, which he has already commenced. His first work is cleaning the record well. The description of the lease obtained by Mr. Bakker is S.W. qr. l.s.d 13, W. hf. of 14, S. hf. of 11 and 12, in 4-19-2-w5.

There have been some negotiations between the Belgo-Canadian Oil company and the Mill City Oils, Ltd., for a sublease, namely, E. hf. l.s.d. 14 and all of 15 and 16, 4-19-2-w5, but up to the present time no agreement has been signed.

The holdings in the northern part of Turner Valley, namely, l.s.d. 2-34-20-3-w5, will be proven, as there are three or four companies ready for operation in that part of the valley. The companies are: Madison, in l.s.d. 8; Queen City, in l.s.d. 6; Seneca, in l.s.d. 1. The Company was very fortunate in obtaining 160 acres from the government in the Ribstone-Blackfoot field, which are pronounced to be very well located They also have 80 acres in the Sibbald Park structure, west of Jumping Pound.

Other holdings are in Wainwright, Rice Creek, High Prairie, Pouce Coupe and Sweetgrass.

Through numerous hindrances, the company has not been able to embark on any active drilling, but it has been the full intention when conditions permitted to drill on holdings in the Wainwright field, which holdings are considered as good as any in that field. Their financial standing at the present time is such that they could proceed with that operation without resorting to any stock selling campaign.

With their holdings and the drilling program being carried out, there is no reason why the Mill City should not rank with the best oil companies in Alberta.

J. H. BRASETH
President

W. KEMP
Secretary-Treasurer

"TURNER VALLEY"

Alberta's wonder producing oil field

The investing public, particularly of Eastern Canada, have failed to date to grasp the significance of the above.

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DO YOU KNOW that at the present time there is greater production from this field than from all other sources in Canada combined, and in dollars four to five times in value?

DO YOU KNOW that during the past few months fortunes have been made by wise investors in the stocks of well located companies in this field?

These are facts you should know

And yet, with all of the above, the development is only in its infancy. What will take place within the next few months with many additional wells coming into production is not hard to imagine.

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750,000 shares, without any nominal or par value, of which 200,000 shares are now offered for public subscription at the price of $1.00 each, payable in cash on application.

HEAD OFFICE
512-513 Lancaster Building, Calgary, Alberta

DIRECTORS
President: THOMAS M. McGUCKIE, Mine Owner, Calgary, Alberta
Vice-President: W.STEWART HERRON, Oil Operator, Calgary, Alberta
Secretary-Treasurer: HAROLD BROOKS, Accountant, Calgary, Alberta

Prospectus

This Company has been incorporated for the objects and purposes set forth in the Letters Patent incorporating the Company, the contents of which with the names, descriptions and addresses of the signatories to the Petition for Incorporation and the number of shares subscribed for by them respectively are printed herewith and form part of this Prospectus. There are no founders, management or deferred shares.

The Company by virtue of the Agreement aftermentioned is to acquire leasehold rights of the petroleum and natural gas in approximately 130 acres, situate in the Turner Valley Field, in the Province of Alberta, the descriptions of which are as follows:

N.W. ¼ L.S.D. 7, Sec. 31, L.S.D. 13, Sec. 28, Township 19, Range 2, West of the 5th Meridian. N. ½ L.S.D. 12, N. ½ L.S.D. 13, N. ½ L.S.D. 14, Sec. 20, Township 20, Range 3, West of the 5th Meridian. N. ½ L.S.D. 8, Sec. 10, Township 20, Range 3, West of the 5th Meridian.

The Company intends to prosecute drilling operations on the lands described and mentioned, and the Directors believe that these will result in the successful production of petroleum and natural gas.

The Directors especially call attention to the location of the Company's holdings. The Royalite Oil Company and Dalhousie Oil Company, Limited, control the acreage surrounding the first mentioned parcel of land, and one of the most favorable geological reports given on the Field has been obtained on the property on which the Company proposes to drill.

The number of shares fixed by the By-laws of the Company as the qualification of a Director, is one fully paid share in the capital of the Company, without any nominal or par value.

The provisions of the By-laws as to the remuneration of Directors, are as follows:

> The President and Directors shall be entitled to receive such fees or annual salary for their services as may be authorized by a resolution of the Board; and compensation for expenses of attendance if any, may be allowed for attendance at regular or special meetings of the Board; provided, that nothing herein contained shall be construed to preclude any Director from serving the Company in any other capacity than as a Director, and receiving compensation therefor.
>
> The Directors may from time to time appoint one or more of their number to be a Managing Director or Managing Directors of the Company and may fix his or their remuneration, either by way of salary or commission or by conferring a right to participation in the profits of the Company or by a combination of two or more of these modes.

The minimum subscription as fixed by the By-laws of the Company on which the Directors may proceed to allotment is 25,000 shares.

The Company is issuing for a consideration other than cash, 150,000 fully paid shares as part consideration for the acquisition by it of the petroleum and natural gas rights in the lands above described and mentioned, in terms of the Agreement aftermentioned.

The Company has entered into an Agreement, dated the 2nd day of June A.D. 1926, with Thomas M. McGuckie, of the City of Calgary, in the Province of Alberta, Mine Owner, as Vendor, to purchase the petroleum and natural gas rights in the lands already described and mentioned, for a consideration of the issue and allotment by it of 150,000 fully paid shares in the Capital Stock of the Company, without any nominal or par value. Mr. McGuckie is also to receive as royalty a one-eighth of the production from any wells drilled on the properties acquired, and he has agreed with the Company that the 150,000 shares shall be held in escrow until the Company has received $150,000.00 for working capital; and further that none of the 150,000 shares shall be offered for sale at any time for less than $1.00 each. The Company is to issue and allot the said 150,000 shares, as already stated, as the consideration for the acquisition by it of the petroleum and natural gas rights in the lands above described and mentioned. The Company proposes to pay a commission of 20% in pursuance of the powers conferred upon it for this purpose in the Letters Patent incorporating the same. The estimated amount of preliminary expenses, exclusive of commissions payable on the subscriptions for shares as above stated, is $2,500.00.

Other than the shares and royalty already mentioned as being issued and paid to Thomas M. McGuckie, nothing is being paid to promoters. The Contract with Thomas M. McGuckie may be inspected at reasonable business hours at the office of the Company at 512-513 Lancaster Building, Calgary, Alberta.

No Director, other than Thomas M. McGuckie, has any interest in the promotion of the Company or in the property acquired by the Company. Thomas M. McGuckie's interest is that of Vendor for a price on terms set out in Agreement between himself and the Company as already referred to.

No Auditor has yet been appointed.

DATED at Calgary, Alberta, this Eighth day of June, A.D. 1926.

Witness:
(Signed) ALEX. HANNAH,
Calgary, Alberta,
Barrister.

(Signed) THOMAS M. McGUCKIE
(Signed) WM. STEWART HERRON
(Signed) HAROLD BROOKS.

McCOLL STOCKS BEING OFFERED TO THE PUBLIC

Arrangements Made For Trading on the Toronto Market

It is undoubtedly to the advantage of the consumer that the efficient methods of big business be applied to production and distribution of essential commodities. However, big business will always be open to suspicion—sometimes deserved—of taking advantage of its position to secure unfair profits at the expense of the public. It is for this reason that there has been a growing tendency on the part of corporations supplying public service to distribute their shares among employees, customers and the public generally. This tendency has of late years been noted on the part of the gasoline and oil companies and the latest of the Canadian companies to join the list of those securities that are traded publicly is McColl Bros.—Canada's oldest oil company.

Trading in McColl shares took place for the first time on the unlisted department of the Toronto stock exchange this week. There were admitted $1,000,000 of the convertible preferred and 90,000 no-par common shares on an "if and when issued" basis. The preferred is being offered to investors at par with the right to subscribe to the common at $18 on the basis of one for two. Preferred may be exchanged for common on the basis of one for three at any time within the next five years.

McColl Bros. is Canada's oldest oil company, having been founded in 1873, as a partnership. Three years later the McColl Brothers bought out their partners. Fifteen years later Mr. J. B. McColl bought out his brother and owned the business until he died in 1918. At that time the company was incorporated and since then has been under the management of John W. McColl, a son of J. B. McColl and the present president of the company.

Starting with practically no capital the founders have each year put back the largest part of their profits into the business and have expanded their facilities from time to time so that to-day the company is one of the large oil refining and distributing organizations in Canada. It is one of the few all-Canadian oil companies — not a share of its stock being owned outside of this country. Its properties include a modern gasoline and oil refinery situated on Toronto harbor, storage tanks, an oil tanker (equipped with Diesel engines), tank cars, tank trucks, service stations, etc. Branches are located in eight provinces facilitating distribution of the company's products from coast to coast. The company's Red Indian and Marathon H-Test gasoline are well-known products, and enjoy a splendid reputation in the trade. Earnings of the company have been showing a steady increase during the past few years.

Earnings for 1926, after all operating charges, depreciation, and income tax, will show dividends earned over five times. There is no funded debt or any other securities ranking ahead of this issue of preferred stock. Dividends at the rate of 80c. are now being paid on the common stock of the company. During its fifty years of existence the company has never had an unsuccessful year.

Earnings and Dividends

Net earnings from operations, as certified to by Messrs. Price, Waterhouse & Co., for the period of four years ending December 31, 1925, after charging all expenses of manufacturing, selling and administration, and making adequate provision for income taxes and depreciation, were as follows:

Year	Earnings	Depreciation	Net Earnings
1922	$211,036.32	$37,209.79	$173,826.53
1923	308,402.03	45,533.28	262,868.75
1924	364,128.87	65,650.52	298,478.35
1925	266,430.53	64,016.94	202,413.59

Certified net earnings, after all operating expenses, depreciation and taxes, for the first six months of 1926, amounted to $155,692.60.

The average annual net earnings, therefore, after deduction of all operating expenses, depreciation and taxes, during the four years and six months ended June 30, 1926, as certified to by Messrs. Price, Waterhouse & Co., amounted to $242,951.06, or 3.47 times dividend requirements on the preferred stock outstanding.

Earnings for each of the years 1922 to 1925 include no profit from the refinery which began complete operation only in April, 1926, so that the management conservatively estimate that the earnings for 1926 will be at least $350,000, which is equal to five times dividend requirements on the preferred stock outstanding.

The company has paid dividends on its stock uninterruptedly since incorporation. It is their intention to inaugurate dividends on the new common stock at the rate of 80 cents per share per year.

Flood of Refineries Talked of for Wainwright

Wainwright oil field is promised a flow of refineries—if they are all built, which is doubtful as they are all dependent upon the ability of the promotions to sell stock. The first refinery was the Edmonton refinery and its apparent success has attracted others so that to-day there are about five refineries and cracking plants under contemplation. Some of the new companies have taken up leases in the field and announce that it is their intention to drill wells also. This latter would seem to be the first objective as when the production becomes great enough there will be plenty of time for refineries.

ALBERTA'S BIG WOOL CLIP

LETHBRIDGE. — Southern Alberta's wool clip this year will be approximately 2,000,000 pounds. It is stated that never before have the fleeces been so heavy.

Public Utilities

SAINT JOHN POWER EMPLOYS CANADIANS

Initial Installation of International Paper's Subsidiary Will be 60,000 h.p.

From Our Own Correspondent.

MONTREAL. — The Saint John River Power Co. has just published a booklet descriptive of the development which it is undertaking at Grand Falls on the Saint John River. The booklet outlines the development generally and points out that the Saint John River is the largest river, not only in New Brunswick, but in the Maritime provinces. The principal water power of the river is at Grand Falls, N.B., and the development of this site has been attended by many difficulties, not the least of which was the fact that five political entities had to be considered, namely, the Dominion, the US., the provinces of New Brunswick, Quebec and the state of Maine. This was due to the fact that the river rises in Quebec and between Edmundston, and Grand Falls, it flows along the international boundary line.

Entirely Owned by Int. Paper

All the common stock of the Saint John River Power Company is owned by the International Paper Co. and the plans for development call for an initial installation of 60,000 h.p.; this involves the erection of a dam just above the falls, a tunnel through the rock under the town of Grand Falls from the upper basin to the lower basin, and a power house at the lower end of the tunnel. The power house will contain three units of 20,000 h.p. each. In order to increase the natural flow of the river, the Saint John River Power with the co-operation of the Fraser Companies intends to construct a storage reservoir on the Madiwaska River, one of the larger tributaries which rises in Quebec and flows into the Saint John River at Edmundston, N.B.

Will Employ Canadians

In connection with this development it is of particular interest to note that the International Paper Co. has announced its intention of giving preference to all residents of New Brunswick in employing labor, letting contracts and making purchases.

Part of the power generated is to be purchased by the province for industry in general, the balance will be used by two new newsprint mills which will be erected by the New Brunswick International Paper Co., another subsidiary of the big U.S. paper producer and the Fraser Co. It is probable that one of these mills will be erected on the Restigouche River or on the Bay of Chaleur to use wood from limits on the Restigouche.

Manitoba Power Purchase Endorsed by City Council

WINNIPEG.—After some opposition, the bylaw embodying the power purchase agreement between the city and the Manitoba Power Co. has been adopted by the city council. A minority report recommended that a prospectus be prepared showing the cost of developing Slave Falls, and that it be submitted, together with the present agreement, to electors duly qualified to vote on money by-laws. The labor aldermen contended that it was more economical to develop Slave Falls than to enter into the contract to purchase power at $17.50 per horse power. Further, that such a drastic change of policy from public ownership should be submitted to the people, and not decided by the council.

How B.C. Electric Helps Employees to Own Homes

The B. C. Electric Company has a plan to assist employees to own their own homes. Features of the plan follow: The sum of $50,000 is provided, to be loaned at six per cent. on mortgage.

The company will loan up to 80 per cent. of the value of a house purchased, or 90 per cent. of the building in the case of a new building scheme.

The limit of any loan is $2,800. The company will hold a first mortgage, taking care of insurance and taxes. The rate of repayment will depend upon the salary and circumstances of the employee, but will not be less than one per cent. of the amount of the loan per month, plus taxes, insurance, etc. The minimum repayment will be $25 per month.

Applications will be handled by a committee of gas company employees themselves.

One of the best features of the scheme is that the property will be valued by the company and the company's legal department will draw up the papers. Thus all the expenses incident to obtaining a loan will be saved.

In the case of an employee building a house, he will be at liberty to select his own contractor, but the company will go over plans and specifications.

If an employee who has obtained a loan should leave the service, he will simply pay interest at eight per cent. instead of six. An employee wishing to sell his house, and having satisfactory reasons for doing so, will be given permission.

Public Utility Earnings

Northern Mexico Power

June	1925	1926	Increase	%
Gross	82,796	105,555	22,759	27.49
Net	66,352	84,223	17,871	26.93
Six Months—				
Gross	478,763	614,424	135,660	28.33
Net	366,064	492,249	126,184	34,47

OTTAWA & HULL POWER COMPANY

July—	1926	1925	Incr.
Gross Earn	$29,441	$27,662	$ 1,778
Oper. Exp.	6,894	6,729	165
Net Earn.	$22,546	$20,933	$ 1,613
Eleven Months Ending July—	1926	1925	Incr.
Gross Earn.	$345,257	$338,541	$ 6,716
Oper. Exp.	75,769	71,307	4,461
Net Earn.	$269,488	$267,234	$ 2,254

WINNIPEG ELECTRIC

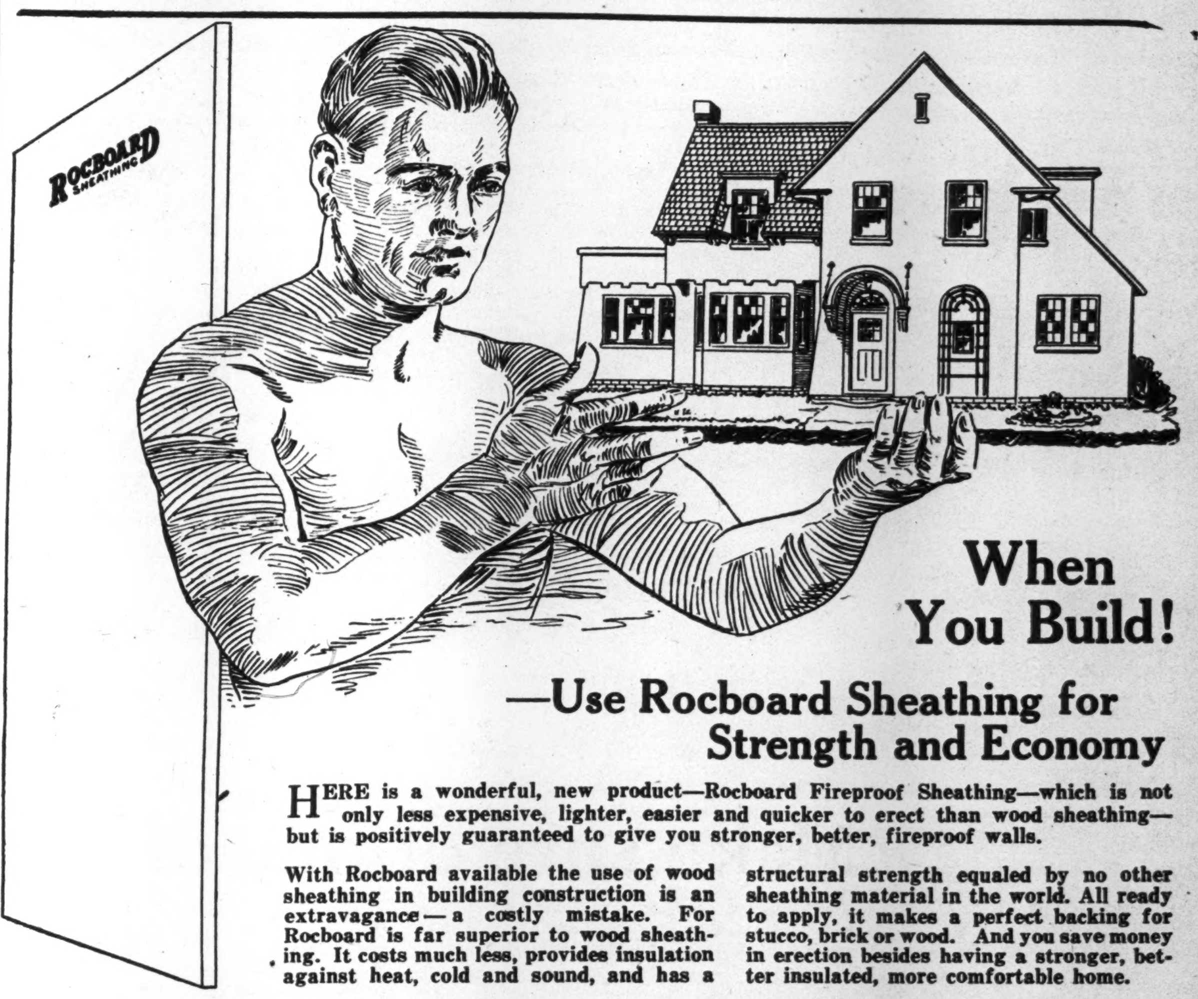
June	1926	1925
Gross	$431,328	$406,612
Expenses	313,835	305,254
Net	$117,492	$101,358
Six Months		
Gross	$2,775,287	$2,683,383
Expenses	1,927,204	1,940,553
Net	$ 848,082	$ 742,830

SOUTHERN CANADA POWER

June	1926	1925
Gross	$ 107,770	$96,109
Expenses	40,785	39,473
Net	$66,985	$56,636
Nine Months		
Gross earn.	$1,027,123.46	$878,107.91
Operat. exp.	348,084.60	383,612.84
Net earnings	$679,038.86	$494,495.07

Maritime Electric Would Buy the Digby System

HALIFAX. — The Maritime Electric Co. has made an offer to purchase the electrical system at Digby, N.S., for $32,500. The company proposes to introduce into the town hydro electric power from such a plant already in operation, and to sell electricity at retail at twelve cents per kilowatt hour to stores and householders, and to put into effect such other and lower rates as are equitable and fair for larger lighting, heating, cooling and power consumers.



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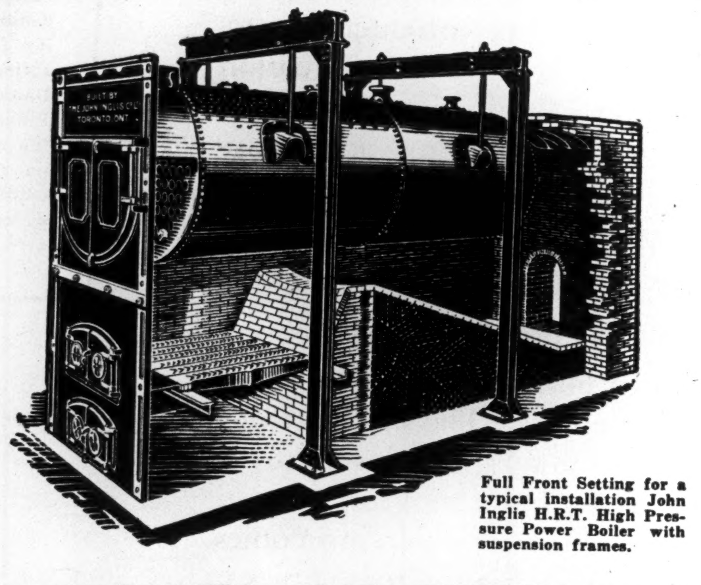
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THE ALBERTA OIL EXAMINER

Financial Post's Men Are "Johnny on the Spot"

D. E. Cushing, former Alberta newspaper man, now mining editor of the Toronto Financial Post, who was responsible for the splendid publicity which Alberta received in the recent edition of that publication, has been in Alberta for the past week, and is accompanied by W Doner, who was also instrum moting the issue h firms to get

Everywhere in Canada, They are "Johnny on the Spot"

STAFF editors and other representatives of The Financial Post are in every province in Canada, and in Newfoundland every year. They visit every big mining camp; all the important cities; every place where there is something going on of importance to Canada.

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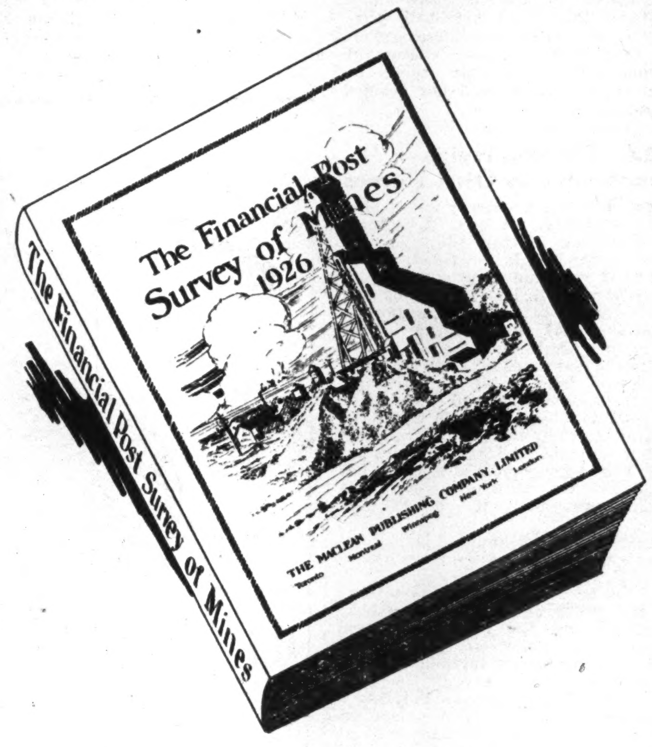
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